LAWS AND RESOLUTIONS

Enacted or Passed by the

FIFTY-NINTH LEGISLATURE
IN SPECIAL SESSION

Held at Helena, the Seat of Government
December 14 & 15, 2005

Explanatory Note: Section 5-11-205, MCA, provides that new parts of existing statutes be printed in italics and that deleted provisions be shown as stricken.

COMPILED BY MONTANA
LEGISLATIVE SERVICES DIVISION

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OFFICERS AND MEMBERS OF THE MONTANA SENATE

2005

50 Members

27 Democrats 23 Republicans

OFFICERS

President.....Jon Tester
President Pro Tempore.....Dan Harrington
Majority Leader.....Jon Ellingson
Majority Whips.....Carolyn Squires, Trudi Schmidt
Minority Leader.....Bob Keenan
Minority Whips.....Corey Stapleton, Robert Story
Secretary of the Senate.....Bill Lombardi

MEMBERS

Name	Party	District	Preferred Mailing Address
Bales, Keith	(R)	20	HC 39 Box 33, Otter MT 59062-9703
Balyeat, Joe	(R)	34	6909 Rising Eagle Rd, Bozeman MT 59715-8621
Barkus, Greg	(R)	4	PO Box 2647, Kalispell MT 59903-2647
Black, Jerry	(R)	14	445 O'Haire Blvd, Shelby MT 59474-1950
Brueggeman, John	(R)	6	321 Lakeview Dr, Polson MT 59860-9317
Cobb, John	(R)	9	PO Box 388, Augusta MT 59410-0388
Cocchiarella, Vicki	(D)	47	535 Livingston Ave, Missoula MT 59801-8003
Cooney, Mike	(D)	40	713 Pyrite Court, Helena MT 59601-5877
Cromley, Brent	(D)	25	PO Box 2559, Billings MT 59103-2559
Curtiss, Aubyn	(R)	1	PO Box 216, Fortine MT 59918-0216
Ellingson, Jon	(D)	49	141 North Ave E, Missoula MT 59801-6011
Elliott, Jim	(D)	7	100 Trout Creek Rd, Trout Creek MT 59874-9609
Esp, John	(R)	31	PO Box 1024, Big Timber MT 59011-1024
Essmann, Jeff	(R)	28	PO Box 80945, Billings MT 59102-6525
Gallus, Steve	(D)	37	2319 Harvard Ave, Butte MT 59701-3854
Gebhardt, Kelly	(R)	23	PO Box 724, Roundup MT 59072-0724
Gillan, Kim	(D)	24	750 Judicial Ave, Billings MT 59105-2130
Grimes, Duane	(R)	39	4 Hole in the Wall, Clancy MT 59634-9516
Hansen, Ken (Kim)	(D)	17	PO Box 686, Harlem MT 59526-0686
Harrington, Dan	(D)	38	1201 N Excelsior Ave, Butte MT 59701-8505
Hawks, Bob	(D)	33	703 W Koch St, Bozeman MT 59715-4477
Keenan, Bob	(R)	5	PO Box 697, Bigfork MT 59911-0697
Kitzenberg, Sam	(R)	18	130 Bonnie St Apt 1, Glasgow MT 59230-2101
Laible, Rick	(R)	44	529 Moose Hollow Rd, Victor MT 59875-9303
Larson, Lane	(D)	22	1417 Cedar Canyon Rd, Billings MT 59101-6440
Laslovich, Jesse	(D)	43	112 Mountain View St, Anaconda MT 59711-1616
Lewis, Dave	(R)	42	5871 Collins Rd, Helena MT 59602-9584
Lind, Greg	(D)	50	PO Box 16720, Missoula MT 59808-6720
Mangan, Jeff	(D)	12	1223 7th Ave N, Great Falls MT 59401-1613
McGee, Dan	(R)	29	1925 Pinyon Dr, Laurel MT 59044-9381
Moss, Lynda	(D)	26	552 Highland Park Dr, Billings MT 59102-1046
O'Neil, Jerry	(R)	3	985 Walsh Rd, Columbia Falls MT 59912
Pease, Gerald	(D)	21	PO Box 556, Lodge Grass MT 59050-0556
Perry, Gary	(R)	35	3325 W Cedar Meadow Ln, Manhattan MT 59741-8240
Roush, Glenn	(D)	8	PO Box 185, Cut Bank MT 59427-0185

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Ryan, Don	(D)	10	2101 7th Ave S, Great Falls MT 59405-2821
Schmidt, Trudi	(D)	11	4029 6th Ave S, Great Falls MT 59405-3746
Shockley, Jim	(R)	45	PO Box 608, Victor MT 59875-0608
Smith, Frank	(D)	16	PO Box 729, Poplar MT 59255-0729
Squires, Carolyn	(D)	48	2111 S 10th St W, Missoula MT 59801-3412
Stapleton, Corey	(R)	27	2015 Eastridge Dr, Billings MT 59102-7904
Steinbeisser, Don	(R)	19	RR 1 Box 3400, Sidney MT 59270-9620
Story, Robert	(R)	30	133 Valley Creek Rd, Park City MT 59063-8040
Tash, Bill	(R)	36	240 Vista Dr, Dillon MT 59725-3111
Tester, Jon	(D)	15	709 Son Ln, Big Sandy MT 59520-8443
Toole, Ken	(D)	41	PO Box 1462, Helena MT 59624-1462
Tropila, Joe	(D)	13	209 2nd St NW, Great Falls MT 59404-1301
Weinberg, Dan	(D)	2	575 Delrey Rd, Whitefish MT 59937-8042
Wheat, Mike	(D)	32	930 Stonegate Dr, Bozeman MT 59715-2109
Williams, Carol	(D)	46	PO Box 9176, Missoula MT 59807-9176

OFFICERS AND MEMBERS OF THE MONTANA HOUSE OF REPRESENTATIVES

2005

100 Members

50 Democrats 50 Republicans

OFFICERS

Speaker.....Gary Matthews
House Democratic Leader.....David Wanzenried
House Democratic Floor Leader.....John Parker
House Democratic Whips.....Bob Bergren, Gail Gutsche
House Republican Leader.....Roy Brown
House Republican Floor Leader.....Michael Lange
House Republican Whips.....Debby Barrett, Dennis Himmelberger
Chief Clerk of the House.....Marilyn Miller

MEMBERS

Name	Party	District	Preferred Mailing Address
Andersen, Joan	(R)	59	RR 1 Box 1012, Fromberg MT 59029-9701
Arntzen, Elsie	(R)	53	850 Senora Ave, Billings MT 59105-2051
Balyeat, John	(R)	100	4879 Scott Allen Dr, Missoula MT 59803-2793
Barrett, Debby	(R)	72	17600 MT Hwy 324, Dillon MT 59725-8031
Becker, Arlene	(D)	52	1440 Lewis Ave, Billings MT 59101-4240
Bergren, Bob	(D)	33	1132 26th Ave W, Havre MT 59501-8609
Bixby, Norma	(D)	41	PO Box 1165, Lame Deer MT 59043-1165
Branae, Gary	(D)	54	415 Yellowstone Ave, Billings MT 59101-1730
Brown, Dee	(R)	3	PO Box 444, Hungry Horse MT 59919-0444
Brown, Roy	(R)	49	PO Box 22273, Billings MT 59104-2273
Butcher, Ed	(R)	29	PO Box 89, Winifred MT 59489-0089
Buzzas, Rosalie (Rosie)	(D)	93	233 University Ave, Missoula MT 59801-4351
Caferro, Mary	(D)	80	PO Box 1036, Helena MT 59624-1036
Callahan, Tim	(D)	21	3409 5th Ave S, Great Falls MT 59405-3543
Campbell, Margarett	(D)	31	PO Box 228, Poplar MT 59255-0228
Clark, Paul	(D)	13	20 Fox Ln, Trout Creek MT 59874-9510
Cohenour, Jill	(D)	78	2610 Colt Dr, East Helena MT 59635-3442
Dickenson, Sue	(D)	25	620 Riverview Dr E, Great Falls MT 59404-1637
Dowell, Tim	(D)	8	46 West View Dr, Kalispell MT 59901-3364
Driscoll, Robyn	(D)	51	724 N 16th St, Billings MT 59101-0418
Eaton, Emelie	(D)	58	PO Box 159, Laurel MT 59044-0159
Everett, George	(R)	5	1344 Helena Flats Rd, Kalispell MT 59901-6548
Facey, Tom	(D)	95	418 Plymouth St, Missoula MT 59801-4133
Franklin, Eve	(D)	24	PO Box 6507, Great Falls MT 59406-6507
Furey, Kevin	(D)	91	1861 E Broadway St, Missoula MT 59802-4903
Gallik, Dave	(D)	79	1124 Billings Ave, Helena MT 59601-3505
Galvin-Halcro, Kathleen	(D)	26	101 Riverview Dr E, Great Falls MT 59404-1547
Glaser, Bill	(R)	44	1402 Indian Creek Rd, Huntley MT 59037-9338
Golie, George	(D)	20	316 20th Ave S, Great Falls MT 59405-4131
Grinde, Wanda	(D)	48	1910 Bannack Dr, Billings MT 59105-4236
Groesbeck, George	(D)	74	2214 Ottawa St Apt B, Butte MT 59701-6105
Gutsche, Gail	(D)	99	1530 Cooper St, Missoula MT 59802-2220
Hamilton, Robin	(D)	92	330 Daly Ave, Missoula MT 59801-4338
Harris, Chris	(D)	66	1511 W Babcock St, Bozeman MT 59715-4139
Hawk, Ray	(R)	90	NW 4878 Hoblitt Ln, Florence MT 59833-6832
Heinert, Ralph	(R)	1	PO Box 577, Libby MT 59923-0577
Hendrick, Gordon	(R)	14	PO Box 262, Superior MT 59872-0262
Henry, Teresa	(D)	96	204 Chestnut St, Missoula MT 59801-1809

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Hiner, Cynthia	(D)	85	1027 Kentucky St, Deer Lodge MT 59722-2041
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Jacobson, Hal	(D)	82	4813 US Hwy 12 W, Helena MT 59601-9694
Jayne, Joey	(D)	15	299 Lumpry Rd, Arlee MT 59821-9747
Jent, Larry	(D)	64	1201 S 3rd St, Bozeman MT 59715-5503
Jones, Llew	(R)	27	1102 4th Ave SW, Conrad MT 59425-1919
Jones, Bill	(R)	9	567 East Village Dr, Bigfork MT 59911-6152
Jopek, Mike	(D)	4	PO Box 4272, Whitefish MT 59937-4272
Juneau, Carol	(D)	16	PO Box 55, Browning MT 59417-0055
Kaufmann, Christine	(D)	81	825 Breckenridge St, Helena MT 59601-4433
Keane, Jim	(D)	75	2131 Wall St, Butte MT 59701-5527
Klock, Harry	(R)	83	PO Box 452, Harlowton MT 59036-0452
Koopman, Roger	(R)	70	811 S Tracy Ave, Bozeman MT 59715-5325
Lake, Bob	(R)	88	PO Box 2096, Hamilton MT 59840-2096
Lambert, Carol	(R)	39	PO Box 2, Broadus MT 59317-0002
Lange, Michael	(R)	55	208 Fair Park Dr, Billings MT 59102-5734
Lenhart, Ralph	(D)	38	PO Box 1225, Glendive MT 59330-1225
Lindeen, Monica	(D)	43	1626 Heath St, Huntley MT 59037-9137
MacLaren, Gary	(R)	89	429 Curlew Orchard Rd, Victor MT 59875-9519
Maedje, Rick	(R)	2	PO Box 447, Fortine MT 59918-0447
Malcolm, Bruce	(R)	61	2319 Hwy 89 S, Emigrant MT 59027-6023
Matthews, Gary	(D)	40	1708 Main St, Miles City MT 59301-3652
McAlpin, Dave	(D)	94	800 Woodworth Ave, Missoula MT 59801-7046
McGillvray, Tom	(R)	50	3642 Donna Dr, Billings MT 59102-1119
McKenney, Joe	(R)	18	500 Deer Dr, Great Falls MT 59404-3829
McNutt, Walt	(R)	37	110 12th Ave SW, Sidney MT 59270-3614
Mendenhall, Scott	(R)	77	214 Solomon Mountain Rd, Clancy MT 59634-9213
Milburn, Mike	(R)	19	276 Chestnut Valley Rd, Cascade MT 59421-8204
Morgan, Penny	(R)	57	3401 Waterloo Cir, Billings MT 59101-8000
Musgrove, John	(D)	34	810 8th St, Havre MT 59501-4127
Noennig, Mark	(R)	46	3441 Powderhorn Cir, Billings MT 59102-0332
Noonan, Art	(D)	73	1621 Whitman Ave, Butte MT 59701-5380
Olson, Alan	(R)	45	18 Halfbreed Creek Rd, Roundup MT 59072-6524
Olson, Bernie	(R)	10	161 Lakeside Blvd, Lakeside MT 59922-9723
Parker, John	(D)	23	PO Box 558, Great Falls MT 59403-0558
Peterson, Jim	(R)	30	RR 1 Box 2, Buffalo MT 59418-9501
Raser, Holly	(D)	98	4304 Spurgin Rd, Missoula MT 59804-4520
Rice, Diane	(R)	71	PO Box 216, Harrison MT 59735-0216
Ripley, Rick	(R)	17	8920 MT Hwy 200, Wolf Creek MT 59648-8639
Roberts, Don	(R)	56	5414 Walter Hagen Dr, Billings MT 59106-1007
Ross, John	(R)	60	129 N Stillwater Rd, Absarokee MT 59001-6235
Sales, Scott	(R)	68	5200 Bostwick Rd, Bozeman MT 59715-7721
Sesso, Jon	(D)	76	155 W Granite, Butte MT 59701-9256
Sinrud, John	(R)	67	284 Frontier Dr, Bozeman MT 59718-7975
Small-Eastman, Veronica	(D)	42	PO Box 262, Lodge Grass MT 59050-0262
Sonju, Jon	(R)	7	PO Box 2954, Kalispell MT 59903-2954
Stahl, Wayne	(R)	35	PO Box 345, Saco MT 59261-0345
Stoker, Ron	(R)	87	PO Box 1059, Darby MT 59829-1059
Taylor, Janna	(R)	11	PO Box 233, Dayton MT 59914-0233
Villa, Dan	(D)	86	1619 W Park Ave, Anaconda MT 59711-1831
Wagman, Pat	(R)	62	202 S 9th St, Livingston MT 59047-2906
Waitschies, Karl	(R)	36	PO Box A-18, Peerless MT 59253
Wanzenried, David	(D)	97	903 Sky Dr, Missoula MT 59804-3121
Ward, John	(R)	84	4525 Glass Dr, Helena MT 59602-9509
Warden, Bill	(R)	63	6507 Leverich Ln, Bozeman MT 59715-9535
Wells, Jack	(R)	69	150 Coulee Dr, Bozeman MT 59718-7717
Wilson, Bill	(D)	22	1305 2nd Ave N, Great Falls MT 59401-3217
Windham, Jeanne	(D)	12	894 Finley Point Rd, Polson MT 59860-9171
Windy Boy, Jonathan	(D)	32	PO Box 269, Box Elder MT 59521-0269
Wiseman, Brady	(D)	65	2 Haley Rd, Bozeman MT 59715-9525
Witt, John	(R)	28	2555 Russell Rd, Carter MT 59420-8230

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LAWS

Enacted by the

FIFTY-NINTH LEGISLATURE IN SPECIAL SESSION

Held at Helena, the Seat of Government December 14 & 15, 2005

Explanatory Note: Section 5-11-205, MCA, provides that new parts of existing statutes be printed in italics and that deleted provisions be shown as stricken.

COMPILED BY MONTANA LEGISLATIVE SERVICES DIVISION

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CHAPTER NO. 1

[HB 1]

AN ACT APPROPRIATING MONEY FOR THE PURPOSES SPECIFIED IN THE CALL FOR THE SPECIAL SESSION AND FOR OTHER PURPOSES RELATED TO THE ITEMS SPECIFIED IN THE CALL; APPROPRIATING MONEY FROM THE STATE GENERAL FUND TO THE DEPARTMENT OF ADMINISTRATION FOR A CONDITION AND NEEDS ASSESSMENT AND ENERGY AUDIT OF K-12 PUBLIC SCHOOL FACILITIES; APPROPRIATING MONEY FROM THE STATE GENERAL FUND TO THE OFFICE OF PUBLIC INSTRUCTION FOR DISTRIBUTION TO SCHOOL DISTRICTS FOR THE COSTS OF WEATHERIZATION OR DEFERRED MAINTENANCE, FOR ENERGY COST RELIEF, FOR INDIAN EDUCATION FOR ALL, FOR AT-RISK STUDENT PAYMENTS, FOR TRANSPORTATION PAYMENTS, AND FOR BASE AID; APPROPRIATING MONEY FROM THE GENERAL FUND TO THE MONTANA SCHOOL FOR THE DEAF AND BLIND AND TO THE DEPARTMENT OF CORRECTIONS; APPROPRIATING MONEY FROM THE GENERAL FUND TO THE TEACHERS' RETIREMENT SYSTEM PENSION TRUST FUND; APPROPRIATING MONEY FROM THE GENERAL FUND TO THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM PENSION TRUST FUND; AND PROVIDING EFFECTIVE DATES.

Be it enacted by the Legislature of the State of Montana:

Section 1. Appropriations. (1) (a) There is appropriated $2.5 million from the general fund to the department of administration to be used through June 30, 2009, to pay for the costs of completing a condition and needs assessment and energy audit of K-12 public school facilities or for contracting with a private vendor to complete a condition and needs assessment and energy audit of K-12 public school facilities in the state.

(b) The department shall work in conjunction with the legislative finance committee to design the process for collecting and analyzing data, including data related to the total square footage, the percentage of the total square footage that is being utilized for educational programs, and the square footage per student, to be used in the facility condition and needs assessment and energy audit.

(c) On or before July 1, 2008, the department of administration shall report the findings and recommendations of the K-12 public school facility condition and needs assessment and energy audit to the appropriate committee of the legislature.

(2) (a) There is appropriated $23 million from the general fund to the office of public instruction to be distributed as follows to each school district to pay for the costs of weatherization or deferred maintenance in the district:

(i) $1,000 for each district; and

(ii) $153 for each ANB, calculated as provided in 20-9-311, in each district.

(b) Each district that receives money under subsection (2)(a):

(i) shall deposit the money in the miscellaneous programs fund;

(ii) may retain the money for a maximum of 3 years and shall return any unexpended balance to the state for deposit in the general fund; and

(iii) may use the money as a match for any other local, state, or federal money.

(c) A district may not transfer money received under this subsection (2) to another fund.

(3) (a) There is appropriated $2 million from the general fund to the office of public instruction for energy cost relief to be used for utilities or transportation only. The office of public instruction shall distribute the money to school districts on a per-ANB basis, calculated as provided in 20-9-311.

(b) A district receiving funds under this subsection (3) shall deposit the money in the miscellaneous programs fund and may not transfer money received under this subsection (3) to another fund.

(4) (a) There is appropriated $7 million from the general fund to the office of public instruction for Indian education for all to be allocated to districts on a per-ANB basis, calculated as provided in 20-9-311.

(b) A district receiving funds under this subsection (4) shall deposit the money in the miscellaneous programs fund and may not transfer money received under this subsection (4) to another fund.

(5) There is appropriated $28,668,278 from the general fund to the office of public instruction for BASE aid to public schools as provided for in Senate Bill No. 1.

(6) There is appropriated $5 million from the general fund to the office of public instruction for at-risk student payments, as provided for in Senate Bill No. 1.

(7) The following is appropriated from the general fund to provide funding for the quality educator, Indian education for all, and American Indian achievement gap components at the Montana school for the deaf and blind and Pine Hills and Riverside youth correctional facilities:

Montana school for the deaf and blind	$85,000
Department of corrections	$63,800

(8) There is appropriated $130,000 from the general fund to the office of public instruction for transportation payments.

(9) There is appropriated $100 million from the general fund to the teachers' retirement system pension trust fund.

(10) There is appropriated $25 million from the general fund to the public employees' retirement system pension trust fund.

Section 2. Contingent voidness. If Senate Bill No. 1 is not passed and approved, then [section 1(5) and (6)] are void.

Section 3. Effective dates. (1) Except as provided in subsection (2), [this act] is effective July 1, 2006.

(2) [Section 1(1), (3), (9), and (10) and this section] are effective on passage and approval.

Approved December 16, 2005

CHAPTER NO. 2

[HB 2]

AN ACT REQUIRING THE STATE ADMINISTRATION AND VETERANS' AFFAIRS INTERIM COMMITTEE TO CONSIDER THE ACTUARIAL AND FISCAL SOUNDNESS AND EQUITY OF THE STATE'S PUBLIC EMPLOYEE RETIREMENT SYSTEMS, REVIEW AND REPORT ON CERTAIN LEGISLATION RELATED TO PUBLIC EMPLOYEE RETIREMENT SYSTEMS, ESTABLISH PRINCIPLES OF SOUND FISCAL AND PUBLIC POLICY AS GUIDELINES FOR LEGISLATION AFFECTING PUBLIC EMPLOYEE RETIREMENT SYSTEMS, GENERALLY MONITOR PUBLIC EMPLOYEE RETIREMENT SYSTEMS AND LEGISLATION AFFECTING THE SYSTEMS, AND INFORM LEGISLATORS ABOUT ISSUES REGARDING PUBLIC EMPLOYEE RETIREMENT SYSTEMS; AUTHORIZING THE COMMITTEE TO REQUEST ASSISTANCE FROM STATE AGENCIES, INCLUDING BOARDS, POLITICAL SUBDIVISIONS, AND THE STATE PUBLIC EMPLOYEE RETIREMENT SYSTEMS; PROVIDING AN APPROPRIATION; AMENDING SECTION 5-5-228, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 5-5-228, MCA, is amended to read:

"5-5-228. State administration and veterans' affairs interim committee. *(1)* The state administration and veterans' affairs interim committee has administrative rule review, draft legislation review, program evaluation, and monitoring functions for the public employee retirement plans and for the following executive branch agencies and the entities attached to the agencies for administrative purposes:

~~(1)~~*(a)* department of administration;

~~(2)~~*(b)* department of military affairs; and

~~(3)~~*(c)* office of the secretary of state.

(2) The committee shall:

(a) consider the actuarial and fiscal soundness of the state's public employee retirement systems, based on reports from the teachers' retirement board, the public employees' retirement board, and the board of investments, and study and evaluate the equity and benefit structure of the state's public employee retirement systems;

(b) establish principles of sound fiscal and public policy as guidelines;

(c) as necessary, develop legislation to keep the retirement systems consistent with sound policy principles;

(d) solicit and review proposed statutory changes to any of the state's public employee retirement systems;

(e) report to the legislature on each legislative proposal reviewed by the committee. The report must include but is not limited to:

(i) a summary of the fiscal implications of the proposal;

(ii) an analysis of the effect that the proposal may have on other public employee retirement systems;

(iii) an analysis of the soundness of the proposal as a matter of public policy;

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(iv) any amendments proposed by the committee; and

(v) the committee's recommendation on whether the proposal should be enacted by the legislature.

(f) attach the committee's report to any proposal that the committee considered and that is or has been introduced as a bill during a legislative session; and

(g) publish, for legislators' use, information on the state's public employee retirement systems.

(3) The committee may:

(a) specify the date by which proposals affecting a retirement system must be submitted to the committee for the review contemplated under subsection (2)(d); and

(b) request personnel from state agencies, including boards, political subdivisions, and the state public employee retirement systems, to furnish any information and render any assistance that the committee may request."

Section 2. Appropriation. (1) There is appropriated $5,000 from the state general fund to the legislative services division to be used to pay for the activities of the state administration and veterans' affairs interim committee in executing the provisions of 5-5-228.

(2) The appropriation in subsection (1) is a biennial appropriation for the fiscal biennium ending June 30, 2007.

Section 3. Effective date. [This act] is effective on passage and approval.

Approved December 19, 2005

CHAPTER NO. 3

[HB 5]

AN ACT APPROPRIATING MONEY FOR THE OPERATION OF THE SPECIAL SESSION OF THE 59TH LEGISLATURE CONVENING DECEMBER 14, 2005, AND FOR OTHER RELATED LEGISLATIVE PURPOSES; PROVIDING EXPLICITLY FOR REVERSION OF EXCESS FUNDING; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

Be it enacted by the Legislature of the State of Montana:

Section 1. Appropriations. The following amounts are appropriated from the general fund for the fiscal year ending June 30, 2006, for costs of the special legislative session of December 2005:

LEGISLATIVE BRANCH (1104)

1. Senate (25)	$14,538
2. House of Representatives (26)	33,019
3. Legislative Services Division (22)	17,649

Section 2. Reversion. Money appropriated in [section 1] that is not expended or obligated at the end of the fiscal year ending June 30, 2006, reverts to the general fund.

Section 3. Effective date. [This act] is effective on passage and approval.

Approved December 19, 2005

CHAPTER NO. 4

[SB 1]

AN ACT GENERALLY REVISING THE LAWS GOVERNING SCHOOL FUNDING IN ACCORDANCE WITH THE MONTANA CONSTITUTIONAL REQUIREMENT THAT SCHOOL FUNDING BE BASED ON A DEFINITION OF THE BASIC SYSTEM OF FREE QUALITY PUBLIC ELEMENTARY AND SECONDARY SCHOOLS; PROVIDING FOR A QUALITY EDUCATOR PAYMENT AND A METHOD FOR CALCULATING FUNDING FOR THAT PAYMENT; PROVIDING FOR AN AT-RISK STUDENT PAYMENT AND A METHOD FOR CALCULATING FUNDING FOR THAT PAYMENT; PROVIDING FOR AN INDIAN EDUCATION FOR ALL PAYMENT AND A METHOD FOR CALCULATING FUNDING FOR THAT PAYMENT; PROVIDING FOR AN AMERICAN INDIAN STUDENT ACHIEVEMENT GAP PAYMENT AND A METHOD FOR CALCULATING FUNDING FOR THAT PAYMENT; DEFINING TOTAL QUALITY EDUCATOR PAYMENT, TOTAL AT-RISK STUDENT PAYMENT, TOTAL INDIAN EDUCATION FOR ALL PAYMENT, AND TOTAL AMERICAN INDIAN STUDENT ACHIEVEMENT GAP PAYMENT; RETAINING 3-YEAR AVERAGING FOR ANB; RETAINING INCREASES IN THE PER-ANB ENTITLEMENT AND THE BASIC ENTITLEMENT; INCREASING RATES FOR INDIVIDUAL TRANSPORTATION FROM 25 CENTS A MILE TO 35 CENTS A MILE; AMENDING SECTIONS 20-5-323, 20-7-102, 20-9-306, 20-9-311, 20-9-321, 20-9-344, AND 20-10-142, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE.

Be it enacted by the Legislature of the State of Montana:

Section 1. Quality educator payment. (1) (a) The state shall provide a quality educator payment to:

(i) public school districts, as defined in 20-6-101 and 20-6-701;

(ii) special education cooperatives, as described in 20-7-451;

(iii) the Montana school for the deaf and blind, as described in 20-8-101; and

(iv) state youth correctional facilities, as defined in 41-5-103.

(b) A special education cooperative that has not met the requirements of 20-7-453 and 20-7-454 may not be funded under the provisions of this section except by approval of the superintendent of public instruction.

(2) (a) The quality educator payment for special education cooperatives must be distributed directly to those entities by the superintendent of public instruction.

(b) The quality educator payment for the Montana school for the deaf and blind must be distributed to the Montana school for the deaf and blind.

(c) The quality educator payment for Pine Hills and Riverside youth correctional facilities must be distributed to those facilities by the department of corrections.

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(3) The quality educator payment is $2,000 times the number of full-time equivalent educators, as reported to the superintendent of public instruction for accreditation purposes in the previous school year, each of whom:

(a) holds a valid certificate under the provisions of 20-4-106 and is employed by an entity listed in subsection (1) in a position that requires an educator license in accordance with the administrative rules adopted by the board of public education; or

(b) (i) is a licensed professional under 37-8-405, 37-8-415, 37-11-301, 37-15-301, 37-23-201, 37-24-301, or 37-25-302; and

(ii) is employed by an entity listed in subsection (1) to provide services to students.

Section 2. At-risk student payment. (1) The state shall provide an at-risk student payment to public school districts, as defined in 20-6-101 and 20-6-701, for at-risk students, as defined in 20-1-101 and referred to in 20-9-309.

(2) The at-risk student payment must be distributed to public school districts by the office of public instruction in the same manner that the office of public instruction allocates the funds received under 20 U.S.C. 6332, et seq. The office of public instruction shall prorate payments to districts based upon the available appropriation.

(3) On or before September 15, 2010, the office of public instruction shall report to the governor and the legislature on the change in status of standardized test scores, graduation rates, and drop-out rates of at-risk students using fiscal year 2006 data as a baseline.

Section 3. Indian education for all payment. (1) The state shall provide an Indian education for all payment to public school districts, as defined in 20-6-101 and 20-6-701, to implement the provisions of Article X, section 1(2), of the Montana constitution and Title 20, chapter 1, part 5.

(2) The Indian education for all payment is the greater of $100 for each district or $20.40 for each ANB, calculated as provided in 20-9-311, for each fiscal year.

(3) The district shall deposit the payment in the general fund of the district.

Section 4. American Indian achievement gap payment. (1) The state shall provide an American Indian achievement gap payment to public school districts, as defined in 20-6-101 and 20-6-701, for the purpose of closing the educational achievement gap that exists between American Indian students and non-Indian students.

(2) (a) The American Indian achievement gap payment is $200 for each American Indian student enrolled in the district based on the count of regularly enrolled students on the first Monday in October of the prior school year as reported to the office of public instruction.

(b) A school district may not require a student to disclose the student's race.

(3) The district shall deposit the payment in the general fund of the district.

(4) On or before September 15, 2010, the office of public instruction shall report to the governor and the legislature on the change in status of standardized test scores, graduation rates, and drop-out rates of American Indian students using fiscal year 2006 data as a baseline.

Section 5. Section 20-5-323, MCA, is amended to read:

"20-5-323. Tuition and transportation rates. (1) Except as provided in subsections (2) through (5), whenever a child has approval to attend a school outside of the child's district of residence under the provisions of 20-5-320 or 20-5-321, the rate of tuition charged for a Montana resident student may not exceed 20% of the per-ANB maximum rate established in 20-9-306 for the year of attendance.

(2) The tuition for a child with a disability must be determined under rules adopted by the superintendent of public instruction for the calculation of tuition for special education pupils.

(3) The tuition rate for out-of-district placement pursuant to 20-5-321(1)(d) and (1)(e) for a student without disabilities who requires a program with costs that exceed the average district costs must be determined as the actual individual costs of providing that program according to the following:

(a) the district of attendance and the district, person, or entity responsible for the tuition payments shall approve an agreement with the district of attendance for the tuition cost;

(b) for a Montana resident student, 80% of the maximum per-ANB rate established in 20-9-306, received in the year for which the tuition charges are calculated, must be subtracted from the per-student program costs for a Montana resident student; and

(c) the maximum tuition rate paid to a district under this section may not exceed $2,500 per ANB.

(4) When a child attends a public school of another state or province, the amount of daily tuition may not be greater than the average annual cost for each student in the child's district of residence. This calculation for tuition purposes is determined by totaling all of the expenditures for all of the district budgeted funds for the preceding school fiscal year and dividing that amount by the October 1 enrollment in the preceding school fiscal year. For the purposes of this subsection, the following do not apply:

(a) placement of a child with a disability pursuant to Title 20, chapter 7, part 4;

(b) placement made in a state or province with a reciprocal tuition agreement pursuant to 20-5-314;

(c) an order issued under Title 40, chapter 4, part 2; or

(d) out-of-state placement by a state agency.

(5) When a child is placed by a state agency in an out-of-state residential facility, the state agency making the placement is responsible for the education costs resulting from the placement.

(6) The amount, if any, charged for transportation may not exceed the lesser of the average transportation cost for each student in the child's district of residence or ~~25~~ *35* cents a mile. The average expenditures for the district transportation fund for the preceding school fiscal year must be calculated by dividing the transportation fund expenditures by the October 1 enrollment for the preceding fiscal year."

Section 6. Section 20-7-102, MCA, is amended to read:

"20-7-102. (Temporary) Accreditation of schools. (1) The conditions under which each elementary school, each middle school, each junior high school, 7th and 8th grades funded at high school rates, and each high school

operates must be reviewed by the superintendent of public instruction to determine compliance with the standards of accreditation. The accreditation status of ~~every~~ *each* school must then be established by the board of public education upon the recommendation of the superintendent of public instruction. Notification of the accreditation status for the applicable school year or years must be given to each district by the superintendent of public instruction.

(2) A school may be accredited for a period consisting of 1, 2, 3, 4, or 5 school years, except that multiyear accreditation may be granted only to schools that are in compliance with 20-4-101.

(3) A nonpublic school may, through its governing body, request that the board of public education accredit the school. Nonpublic schools may be accredited in the same manner as provided in subsection (1).

(4) As used in this section, "7th and 8th grades funded at high school rates" means an elementary school district or K-12 district elementary program whose 7th and 8th grades are funded as provided in ~~20-9-306(11)(c)(ii)~~ *20-9-306(14)(c)(ii)*. (Terminates June 30, 2007—sec. 25(2), Ch. 462, L. 2005.)

20-7-102. (Effective July 1, 2007) Accreditation of schools. (1) The conditions under which each elementary school, each middle school, each junior high school, 7th and 8th grades funded at high school rates, and each high school operates must be reviewed by the superintendent of public instruction to determine compliance with the standards of accreditation. The accreditation status of ~~every~~ *each* school must then be established by the board of public education upon the recommendation of the superintendent of public instruction. Notification of the accreditation status for the applicable school year or years must be given to each district by the superintendent of public instruction.

(2) A school may be accredited for a period consisting of 1, 2, 3, 4, or 5 school years, except that multiyear accreditation may be granted only to schools that are in compliance with 20-4-101.

(3) A nonpublic school may, through its governing body, request that the board of public education accredit the school. Nonpublic schools may be accredited in the same manner as provided in subsection (1).

(4) As used in this section, "7th and 8th grades funded at high school rates" means an elementary school district or K-12 district elementary program whose 7th and 8th grades are funded as provided in ~~20-9-306(10)(c)(ii)~~ *20-9-306(14)(c)(ii)*."

Section 7. Section 20-9-306, MCA, is amended to read:

"20-9-306. (Temporary) Definitions. As used in this title, unless the context clearly indicates otherwise, the following definitions apply:

(1) "BASE" means base amount for school equity.

(2) "BASE aid" means:

(a) direct state aid for 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement for the general fund budget of a district; and

(b) guaranteed tax base aid for an eligible district for any amount up to 35.3% of the basic entitlement, up to 35.3% of the total per-ANB entitlement budgeted in the general fund budget of a district, and 40% of the special education allowable cost payment.

(3) "BASE budget" means the minimum general fund budget of a district, which includes 80% of the basic entitlement, 80% of the total per-ANB entitlement, and 140% of the special education allowable cost payment.

(4) "BASE budget levy" means the district levy in support of the BASE budget of a district, which may be supplemented by guaranteed tax base aid if the district is eligible under the provisions of 20-9-366 through 20-9-369.

(5) "BASE funding program" means the state program for the equitable distribution of the state's share of the cost of Montana's basic system of public elementary schools and high schools, through county equalization aid as provided in 20-9-331 and 20-9-333 and state equalization aid as provided in 20-9-343, in support of the BASE budgets of districts and special education allowable cost payments as provided in 20-9-321.

(6) "Basic entitlement" means:

(a) $225,273 for each high school district;

(b) $20,275 for each elementary school district or K-12 district elementary program without an approved and accredited junior high school or middle school; and

(c) the prorated entitlement for each elementary school district or K-12 district elementary program with an approved and accredited junior high school or middle school, calculated as follows using either the current year ANB or the 3-year ANB provided for in 20-9-311:

(i) $20,275 times the ratio of the ANB for kindergarten through grade 6 to the total ANB of kindergarten through grade 8; plus

(ii) $225,273 times the ratio of the ANB for grades 7 and 8 to the total ANB of kindergarten through grade 8.

(7) "Budget unit" means the unit for which the ANB of a district is calculated separately pursuant to 20-9-311.

(8) "Direct state aid" means 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement for the general fund budget of a district and funded with state and county equalization aid.

(9) "Maximum general fund budget" means a district's general fund budget amount calculated from the basic entitlement for the district, the total per-ANB entitlement for the district, and the greater of:

(a) 175% of special education allowable cost payments; or

(b) the ratio, expressed as a percentage, of the district's special education allowable cost expenditures to the district's special education allowable cost payment for the fiscal year that is 2 years previous, with a maximum allowable ratio of 200%.

(10) "Over-BASE budget levy" means the district levy in support of any general fund amount budgeted that is above the BASE budget and below the maximum general fund budget for a district.

(11) "Total per-ANB entitlement" means the district entitlement resulting from the following calculations and using either the current year ANB or the 3-year ANB provided for in 20-9-311:

(a) for a high school district or a K-12 district high school program, a maximum rate of $5,584 for the first ANB is decreased at the rate of 50 cents per ANB for each additional ANB of the district up through 800 ANB, with each

ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB;

(b) for an elementary school district or a K-12 district elementary program without an approved and accredited junior high school or middle school, a maximum rate of $4,366 for the first ANB is decreased at the rate of 20 cents per ANB for each additional ANB of the district up through 1,000 ANB, with each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

(c) for an elementary school district or a K-12 district elementary program with an approved and accredited junior high school or middle school, the sum of:

(i) a maximum rate of $4,366 for the first ANB for kindergarten through grade 6 is decreased at the rate of 20 cents per ANB for each additional ANB up through 1,000 ANB, with each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

(ii) a maximum rate of $5,584 for the first ANB for grades 7 and 8 is decreased at the rate of 50 cents per ANB for each additional ANB for grades 7 and 8 up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB. (Terminates June 30, 2006—sec. 25(1), Ch. 462, L. 2005.)

20-9-306. (Temporary—effective July 1, 2006) Definitions. As used in this title, unless the context clearly indicates otherwise, the following definitions apply:

(1) "BASE" means base amount for school equity.

(2) "BASE aid" means:

(a) direct state aid for 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement for the general fund budget of a district; ~~and~~

(b) guaranteed tax base aid for an eligible district for any amount up to 35.3% of the basic entitlement, up to 35.3% of the total per-ANB entitlement budgeted in the general fund budget of a district, and 40% of the special education allowable cost payment;

(c) the total quality educator payment;

(d) the total at-risk student payment;

(e) the total Indian education for all payment; and

(f) the total American Indian achievement gap payment.

(3) "BASE budget" means the minimum general fund budget of a district, which includes 80% of the basic entitlement, 80% of the total per-ANB entitlement, *100% of the total quality educator payment, 100% of the total at-risk student payment, 100% of the total Indian education for all payment, 100% of the total American Indian achievement gap payment,* and 140% of the special education allowable cost payment.

(4) "BASE budget levy" means the district levy in support of the BASE budget of a district, which may be supplemented by guaranteed tax base aid if the district is eligible under the provisions of 20-9-366 through 20-9-369.

(5) "BASE funding program" means the state program for the equitable distribution of the state's share of the cost of Montana's basic system of public elementary schools and high schools, through county equalization aid as provided in 20-9-331 and 20-9-333 and state equalization aid as provided in

20-9-343, in support of the BASE budgets of districts and special education allowable cost payments as provided in 20-9-321.

(6) "Basic entitlement" means:

(a) $230,199 for each high school district;

(b) $20,718 for each elementary school district or K-12 district elementary program without an approved and accredited junior high school or middle school; and

(c) the prorated entitlement for each elementary school district or K-12 district elementary program with an approved and accredited junior high school or middle school, calculated as follows using either the current year ANB or the 3-year ANB provided for in 20-9-311:

(i) $20,718 times the ratio of the ANB for kindergarten through grade 6 to the total ANB of kindergarten through grade 8; plus

(ii) $230,199 times the ratio of the ANB for grades 7 and 8 to the total ANB of kindergarten through grade 8.

(7) "Budget unit" means the unit for which the ANB of a district is calculated separately pursuant to 20-9-311.

(8) "Direct state aid" means 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement for the general fund budget of a district and funded with state and county equalization aid.

(9) "Maximum general fund budget" means a district's general fund budget amount calculated from the basic entitlement for the district, the total per-ANB entitlement for the district, *the total quality educator payment, the total at-risk student payment, the total Indian education for all payment, the total American Indian achievement gap payment,* and the greater of:

(a) 175% of special education allowable cost payments; or

(b) the ratio, expressed as a percentage, of the district's special education allowable cost expenditures to the district's special education allowable cost payment for the fiscal year that is 2 years previous, with a maximum allowable ratio of 200%.

(10) "Over-BASE budget levy" means the district levy in support of any general fund amount budgeted that is above the BASE budget and below the maximum general fund budget for a district.

(11) "Total American Indian achievement gap payment" means the payment resulting from multiplying $200 times the number of American Indian students enrolled in the district as provided in [section 4].

(12) "Total at-risk student payment" means the payment resulting from the distribution of any funds appropriated for the purposes of [section 2].

(13) "Total Indian education for all payment" means the payment resulting from multiplying $20.40 times the ANB of the district or $100 for each district, whichever is greater, as provided for in [section 3].

~~(11)~~*(14)* "Total per-ANB entitlement" means the district entitlement resulting from the following calculations and using either the current year ANB or the 3-year ANB provided for in 20-9-311:

(a) for a high school district or a K-12 district high school program, a maximum rate of $5,704 for the first ANB is decreased at the rate of 50 cents per ANB for each additional ANB of the district up through 800 ANB, with each

ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB;

(b) for an elementary school district or a K-12 district elementary program without an approved and accredited junior high school or middle school, a maximum rate of $4,456 for the first ANB is decreased at the rate of 20 cents per ANB for each additional ANB of the district up through 1,000 ANB, with each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

(c) for an elementary school district or a K-12 district elementary program with an approved and accredited junior high school or middle school, the sum of:

(i) a maximum rate of $4,456 for the first ANB for kindergarten through grade 6 is decreased at the rate of 20 cents per ANB for each additional ANB up through 1,000 ANB, with each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

(ii) a maximum rate of $5,704 for the first ANB for grades 7 and 8 is decreased at the rate of 50 cents per ANB for each additional ANB for grades 7 and 8 up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB.

(15) "Total quality educator payment" means the payment resulting from multiplying $2,000 times the number of full-time equivalent educators as provided in [section 1]. (Terminates June 30, 2007—sec. 25(2), Ch. 462, L. 2005.)

20-9-306. (Effective July 1, 2007) Definitions. As used in this title, unless the context clearly indicates otherwise, the following definitions apply:

(1) "BASE" means base amount for school equity.

(2) "BASE aid" means:

(a) direct state aid for 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement for the general fund budget of a district; ~~and~~

(b) guaranteed tax base aid for an eligible district for any amount up to 35.3% of the basic entitlement, up to 35.3% of the total per-ANB entitlement budgeted in the general fund budget of a district, and 40% of the special education allowable cost payment;

(c) the total quality educator payment;

(d) the total at-risk student payment;

(e) the total Indian education for all payment; and

(f) the total American Indian achievement gap payment.

(3) "BASE budget" means the minimum general fund budget of a district, which includes 80% of the basic entitlement, 80% of the total per-ANB entitlement, *100% of the total quality educator payment, 100% of the total at-risk student payment, 100% of the total Indian education for all payment, 100% of the total American Indian achievement gap payment,* and ~~up to~~ 140% of the special education allowable cost payment.

(4) "BASE budget levy" means the district levy in support of the BASE budget of a district, which may be supplemented by guaranteed tax base aid if the district is eligible under the provisions of 20-9-366 through 20-9-369.

(5) "BASE funding program" means the state program for the equitable distribution of the state's share of the cost of Montana's basic system of public elementary schools and high schools, through county equalization aid as

provided in 20-9-331 and 20-9-333 and state equalization aid as provided in 20-9-343, in support of the BASE budgets of districts and special education allowable cost payments as provided in 20-9-321.

(6) "Basic entitlement" means:

(a) ~~$220,646~~ *$230,199* for each high school district;

(b) ~~$19,859~~ *$20,718* for each elementary school district or K-12 district elementary program without an approved and accredited junior high school or middle school; and

(c) the prorated entitlement for each elementary school district or K-12 district elementary program with an approved and accredited junior high school or middle school, calculated as follows *using either the current year ANB or the 3-year ANB provided for in 20-9-311*:

(i) ~~$19,859~~ *$20,718* times the ratio of the ANB for kindergarten through grade 6 to the total ANB of kindergarten through grade 8; plus

(ii) ~~$220,646~~ *$230,199* times the ratio of the ANB for grades 7 and 8 to the total ANB of kindergarten through grade 8.

(7) "Budget unit" means the unit for which the ANB of a district is calculated separately pursuant to 20-9-311.

~~(7)~~*(8)* "Direct state aid" means 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement for the general fund budget of a district and funded with state and county equalization aid.

~~(8)~~*(9)* "Maximum general fund budget" means a district's general fund budget amount calculated from the basic entitlement for the district, the total per-ANB entitlement for the district, *the total quality educator payment, the total at-risk student payment, the total Indian education for all payment, the total American Indian achievement gap payment,* and the greater of:

(a) 175% of special education allowable cost payments; or

(b) the ratio, expressed as a percentage, of the district's special education allowable cost expenditures to the district's special education allowable cost payment for the fiscal year that is 2 years previous, with a maximum allowable ratio of 200%.

~~(9)~~*(10)* "Over-BASE budget levy" means the district levy in support of any general fund amount budgeted that is above the BASE budget and below the maximum general fund budget for a district.

(11) "Total American Indian achievement gap payment" means the payment resulting from multiplying $200 times the number of American Indian students enrolled in the district as provided in [section 4].

(12) "Total at-risk student payment" means the payment resulting from the distribution of any funds appropriated for the purposes of [section 2].

(13) "Total Indian education for all payment" means the payment resulting from multiplying $20.40 times the ANB of the district or $100 for each district, whichever is greater, as provided for in [section 3].

~~(10)~~*(14)* "Total per-ANB entitlement" means the district entitlement resulting from the following calculations *and using either the current year ANB or the 3-year ANB provided for in 20-9-311*:

(a) for a high school district or a K-12 district high school program, a maximum rate of ~~$5,371~~ *$5,704* for the first ANB is decreased at the rate of 50

cents per ANB for each additional ANB of the district up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB;

(b) for an elementary school district or a K-12 district elementary program without an approved and accredited junior high school or middle school, a maximum rate of ~~$4,031~~ *$4,456* for the first ANB is decreased at the rate of 20 cents per ANB for each additional ANB of the district up through 1,000 ANB, with each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

(c) for an elementary school district or a K-12 district elementary program with an approved and accredited junior high school or middle school, the sum of:

(i) a maximum rate of ~~$4,031~~ *$4,456* for the first ANB for kindergarten through grade 6 is decreased at the rate of 20 cents per ANB for each additional ANB up through 1,000 ANB, with each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

(ii) a maximum rate of ~~$5,371~~ *$5,704* for the first ANB for grades 7 and 8 is decreased at the rate of 50 cents per ANB for each additional ANB for grades 7 and 8 up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB.

(15) "Total quality educator payment" means the payment resulting from multiplying $2,000 times the number of full-time equivalent educators as provided in [section 1]."

Section 8. Section 20-9-311, MCA, is amended to read:

"20-9-311. (Temporary) Calculation of average number belonging (ANB) — 3-year averaging. (1) Average number belonging (ANB) must be computed for each budget unit as follows:

(a) compute an average enrollment by adding a count of regularly enrolled full-time pupils who were enrolled as of the first Monday in October of the prior school fiscal year to a count of regularly enrolled pupils on February 1 of the prior school fiscal year, or the next school day if those dates do not fall on a school day, and divide the sum by two; and

(b) multiply the average enrollment calculated in subsection (1)(a) by the sum of 180 and the approved pupil-instruction-related days for the current school fiscal year and divide by 180.

(2) For the purpose of calculating ANB under subsection (1), up to 7 approved pupil-instruction-related days may be included in the calculation.

(3) When a school district has approval to operate less than the minimum aggregate hours under 20-9-806, the total ANB must be calculated in accordance with the provisions of 20-9-805.

(4) (a) Except as provided in subsection (5), for the purpose of calculating ANB, enrollment in an education program:

(i) from 181 to 359 aggregate hours of pupil instruction per school year is counted as one-quarter-time enrollment;

(ii) from 360 to 539 aggregate hours of pupil instruction per school year is counted as half-time enrollment;

(iii) from 540 to 719 aggregate hours of pupil instruction per school year is counted as three-quarter-time enrollment; and

(iv) 720 or more aggregate hours of pupil instruction per school year is counted as full-time enrollment.

(b) Enrollment in a program intended to provide fewer than 180 aggregate hours of pupil instruction per school year may not be included for purposes of ANB.

(c) Enrollment in a self-paced program or course may be converted to an hourly equivalent based on the hours necessary and appropriate to provide the course within a regular classroom schedule.

(d) A pupil in grades 1 through 12 who is concurrently enrolled in more than one public school, program, or district may not be counted as more than one full-time pupil for ANB purposes.

(5) In calculating the ANB for pupils enrolled in a program established under 20-7-117(1), enrollment in a program that provides 360 or more aggregate hours of pupil instruction per school year must be counted as one-half pupil for ANB purposes.

(6) When a pupil has been absent, with or without excuse, for more than 10 consecutive school days, the pupil may not be included in the enrollment count used in the calculation of the ANB unless the pupil resumes attendance prior to the day of the enrollment count.

(7) The enrollment of prekindergarten pupils, as provided in 20-7-117, may not be included in the ANB calculations.

(8) The average number belonging of the regularly enrolled, full-time pupils for the public schools of a district must be based on the aggregate of all the regularly enrolled, full-time pupils attending the schools of the district, except that the ANB is calculated as a separate budget unit when:

(a) (i) a school of the district is located more than 20 miles beyond the incorporated limits of a city or town located in the district and at least 20 miles from any other school of the district, the number of regularly enrolled, full-time pupils of the school must be calculated as a separate budget unit for ANB purposes and the district must receive a basic entitlement for the school calculated separately from the other schools of the district;

(ii) a school of the district is located more than 20 miles from any other school of the district and incorporated territory is not involved in the district, the number of regularly enrolled, full-time pupils of the school must be calculated separately for ANB purposes and the district must receive a basic entitlement for the school calculated separately from the other schools of the district;

(iii) the superintendent of public instruction approves an application not to aggregate when conditions exist affecting transportation, such as poor roads, mountains, rivers, or other obstacles to travel, or when any other condition exists that would result in an unusual hardship to the pupils of the school if they were transported to another school, the number of regularly enrolled, full-time pupils of the school must be calculated separately for ANB purposes and the district must receive a basic entitlement for the school calculated separately from the other schools of the district; or

(iv) two or more districts consolidate or annex under the provisions of 20-6-422 or 20-6-423, the ANB and the basic entitlements of the component districts must be calculated separately for a period of 3 years following the consolidation or annexation. Each district shall retain a percentage of its basic entitlement for 3 additional years as follows:

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(A) 75% of the basic entitlement for the fourth year;

(B) 50% of the basic entitlement for the fifth year; and

(C) 25% of the basic entitlement for the sixth year.

(b) a junior high school has been approved and accredited as a junior high school, all of the regularly enrolled, full-time pupils of the junior high school must be considered as high school district pupils for ANB purposes;

(c) a middle school has been approved and accredited, all pupils below the 7th grade must be considered elementary school pupils for ANB purposes and the 7th and 8th grade pupils must be considered high school pupils for ANB purposes; or

(d) a school has not been accredited by the board of public education, the regularly enrolled, full-time pupils attending the nonaccredited school are not eligible for average number belonging calculation purposes, nor will an average number belonging for the nonaccredited school be used in determining the BASE funding program for the district.

(9) The district shall provide the superintendent of public instruction with semiannual reports of school attendance, absence, and enrollment for regularly enrolled students, using a format determined by the superintendent.

(10) (a) Except as provided in subsections (10)(b) and (10)(c), enrollment in a basic education program provided by the district through any combination of onsite or offsite instruction may be included for ANB purposes only if the pupil is offered access to the complete range of educational services for the basic education program required by the accreditation standards adopted by the board of public education.

(b) Access to school programs and services for a student placed by the trustees in a private program for special education may be limited to the programs and services specified in an approved individual education plan supervised by the district.

(c) Access to school programs and services for a student who is incarcerated in a facility, other than a youth detention center, may be limited to the programs and services provided by the district at district expense under an agreement with the incarcerating facility.

(d) This subsection (10) may not be construed to require a school district to offer access to activities governed by an organization having jurisdiction over interscholastic activities, contests, and tournaments to a pupil who is not otherwise eligible under the rules of the organization.

(11) A district may include only, for ANB purposes, an enrolled pupil who is otherwise eligible under this title and who is:

(a) a resident of the district or a nonresident student admitted by trustees under a student attendance agreement and who is attending a school of the district;

(b) unable to attend school due to a medical reason certified by a medical doctor and receiving individualized educational services supervised by the district, at district expense, at a home or facility that does not offer an educational program;

(c) unable to attend school due to the student's incarceration in a facility, other than a youth detention center, and who is receiving individualized

educational services supervised by the district, at district expense, at a home or facility that does not offer an educational program;

(d) receiving special education and related services, other than day treatment, under a placement by the trustees at a private nonsectarian school or private program if the pupil's services are provided at the district's expense under an approved individual education plan supervised by the district;

(e) participating in the running start program at district expense under 20-9-706;

(f) receiving educational services, provided by the district, using appropriately licensed district staff at a private residential program or private residential facility licensed by the department of public health and human services;

(g) enrolled in an educational program or course provided at district expense using electronic or offsite delivery methods, including but not limited to tutoring, distance learning programs, online programs, and technology delivered learning programs, while attending a school of the district or any other nonsectarian offsite instructional setting with the approval of the trustees of the district. The pupil shall:

(i) meet the residency requirements for that district as provided in 1-1-215;

(ii) live in the district and must be eligible for educational services under the Individuals With Disabilities Education Act or under 29 U.S.C. 794; or

(iii) attend school in the district under a mandatory attendance agreement as provided in 20-5-321.

(h) a resident of the district attending a Montana job corps program under an interlocal agreement with the district under 20-9-707.

(12) (a) For an elementary or high school district that has been in existence for 3 ~~or more~~ years *or more*, the district's maximum general fund budget and BASE budget for the ensuing *school fiscal* year must be calculated using the current year ANB for all budget units or the 3-year average ANB for all budget units, whichever generates the greatest maximum general fund budget.

(b) For a K-12 district that has been in existence for 3 years or more, the district's maximum general fund budget and BASE budget for the ensuing *school fiscal* year must be calculated separately for the elementary and high school programs pursuant to subsection (12)(a) and then combined.

(13) The term "3-year ANB" means an average ANB over the most recent 3-year period, calculated by:

(a) adding the ANB for the budget unit for the ensuing school fiscal year to the ANB for each of the previous 2 school fiscal years; and

(b) dividing the sum calculated under subsection (13)(a) by three. (Terminates June 30, 2007—sec. 25(2), Ch. 462, L. 2005.)

20-9-311. (Effective July 1, 2007) Calculation of average number belonging (ANB). (1) Average number belonging (ANB) must be computed as follows:

(a) compute an average enrollment by adding a count of regularly enrolled full-time pupils who were enrolled as of the first Monday in October of the prior school fiscal year to a count of regularly enrolled pupils on February 1 of the

prior school fiscal year, or the next school day if those dates do not fall on a school day, and divide the sum by two; and

(b) multiply the average enrollment calculated in subsection (1)(a) by the sum of 180 and the approved pupil-instruction-related days for the current school fiscal year and divide by 180.

(2) For the purpose of calculating ANB under subsection (1), up to 7 approved pupil-instruction-related days may be included in the calculation.

(3) When a school district has approval to operate less than the minimum aggregate hours under 20-9-806, the total ANB must be calculated in accordance with the provisions of 20-9-805.

(4) (a) Except as provided in subsection (5), for the purpose of calculating ANB, enrollment in an education program:

(i) from 181 to 359 aggregate hours of pupil instruction per school year is counted as one-quarter-time enrollment;

(ii) from 360 to 539 aggregate hours of pupil instruction per school year is counted as half-time enrollment;

(iii) from 540 to 719 aggregate hours of pupil instruction per school year is counted as three-quarter-time enrollment; and

(iv) 720 or more aggregate hours of pupil instruction per school year is counted as full-time enrollment.

(b) Enrollment in a program intended to provide fewer than 180 aggregate hours of pupil instruction per school year may not be included for purposes of ANB.

(c) Enrollment in a self-paced program or course may be converted to an hourly equivalent based on the hours necessary and appropriate to provide the course within a regular classroom schedule.

(d) A pupil in grades 1 through 12 who is concurrently enrolled in more than one public school, program, or district may not be counted as more than one full-time pupil for ANB purposes.

(5) In calculating the ANB for pupils enrolled in a program established under 20-7-117(1), enrollment in a program that provides 360 or more aggregate hours of pupil instruction per school year must be counted as one-half pupil for ANB purposes.

(6) When a pupil has been absent, with or without excuse, for more than 10 consecutive school days, the pupil may not be included in the enrollment count used in the calculation of the ANB unless the pupil resumes attendance prior to the day of the enrollment count.

(7) The enrollment of prekindergarten pupils, as provided in 20-7-117, may not be included in the ANB calculations.

(8) The average number belonging of the regularly enrolled, full-time pupils for the public schools of a district must be based on the aggregate of all the regularly enrolled, full-time pupils attending the schools of the district, except that when:

(a) (i) a school of the district is located more than 20 miles beyond the incorporated limits of a city or town located in the district and at least 20 miles from any other school of the district, the number of regularly enrolled, full-time pupils of the school must be calculated separately for ANB purposes and the

district must receive a basic entitlement for the school calculated separately from the other schools of the district;

(ii) a school of the district is located more than 20 miles from any other school of the district and incorporated territory is not involved in the district, the number of regularly enrolled, full-time pupils of the school must be calculated separately for ANB purposes and the district must receive a basic entitlement for the school calculated separately from the other schools of the district;

(iii) the superintendent of public instruction approves an application not to aggregate when conditions exist affecting transportation, such as poor roads, mountains, rivers, or other obstacles to travel, or when any other condition exists that would result in an unusual hardship to the pupils of the school if they were transported to another school, the number of regularly enrolled, full-time pupils of the school must be calculated separately for ANB purposes and the district must receive a basic entitlement for the school calculated separately from the other schools of the district; or

(iv) two or more districts consolidate or annex under the provisions of 20-6-422 or 20-6-423, the ANB and the basic entitlements of the component districts must be calculated separately for a period of 3 years following the consolidation or annexation. Each district shall retain a percentage of its basic entitlement for 3 additional years as follows:

(A) 75% of the basic entitlement for the fourth year;

(B) 50% of the basic entitlement for the fifth year; and

(C) 25% of the basic entitlement for the sixth year.

(b) a junior high school has been approved and accredited as a junior high school, all of the regularly enrolled, full-time pupils of the junior high school must be considered as high school district pupils for ANB purposes;

(c) a middle school has been approved and accredited, all pupils below the 7th grade must be considered elementary school pupils for ANB purposes and the 7th and 8th grade pupils must be considered high school pupils for ANB purposes; or

(d) a school has not been accredited by the board of public education, the regularly enrolled, full-time pupils attending the nonaccredited school are not eligible for average number belonging calculation purposes, nor will an average number belonging for the nonaccredited school be used in determining the BASE funding program for the district.

(9) The district shall provide the superintendent of public instruction with semiannual reports of school attendance, absence, and enrollment for regularly enrolled students, using a format determined by the superintendent.

(10) (a) Except as provided in subsections (10)(b) and (10)(c), enrollment in a basic education program provided by the district through any combination of onsite or offsite instruction may be included for ANB purposes only if the pupil is offered access to the complete range of educational services for the basic education program required by the accreditation standards adopted by the board of public education.

(b) Access to school programs and services for a student placed by the trustees in a private program for special education may be limited to the programs and services specified in an approved individual education plan supervised by the district.

(c) Access to school programs and services for a student who is incarcerated in a facility, other than a youth detention center, may be limited to the programs and services provided by the district at district expense under an agreement with the incarcerating facility.

(d) This subsection (10) may not be construed to require a school district to offer access to activities governed by an organization having jurisdiction over interscholastic activities, contests, and tournaments to a pupil who is not otherwise eligible under the rules of the organization.

(11) A district may include only, for ANB purposes, an enrolled pupil who is otherwise eligible under this title and who is:

(a) a resident of the district or a nonresident student admitted by trustees under a student attendance agreement and who is attending a school of the district;

(b) unable to attend school due to a medical reason certified by a medical doctor and receiving individualized educational services supervised by the district, at district expense, at a home or facility that does not offer an educational program;

(c) unable to attend school due to the student's incarceration in a facility, other than a youth detention center, and who is receiving individualized educational services supervised by the district, at district expense, at a home or facility that does not offer an educational program;

(d) receiving special education and related services, other than day treatment, under a placement by the trustees ~~at~~ a private nonsectarian school or private program if the pupil's services are provided at the district's expense under an approved individual education plan supervised by the district;

(e) participating in the running start program at district expense under 20-9-706;

(f) receiving educational services, provided by the district, using appropriately licensed district staff at a private residential program or private residential facility licensed by the department of public health and human services;

(g) enrolled in an educational program or course provided at district expense using electronic or offsite delivery methods, including but not limited to tutoring, distance learning programs, online programs, and technology delivered learning programs, while attending a school of the district or any other nonsectarian offsite instructional setting with the approval of the trustees of the district. The pupil shall:

(i) meet the residency requirements for that district as provided in 1-1-215;

(ii) live in the district and must be eligible for educational services under the Individuals With Disabilities Education Act or under 29 U.S.C. 794; or

(iii) attend school in the district under a mandatory attendance agreement as provided in 20-5-321.

(h) a resident of the district attending a Montana job corps program under an interlocal agreement with the district under 20-9-707.

(12) (a) For an elementary or high school district that has been in existence for 3 years or more, the district's maximum general fund budget and BASE budget for the ensuing school fiscal year must be calculated using the current year ANB

for all budget units or the 3-year average ANB for all budget units, whichever generates the greatest maximum general fund budget.

(b) For a K-12 district that has been in existence for 3 years or more, the district's maximum general fund budget and BASE budget for the ensuing school fiscal year must be calculated separately for the elementary and high school programs pursuant to subsection (12)(a) and then combined.

(13) The term "3-year ANB" means an average ANB over the most recent 3-year period, calculated by:

(a) adding the ANB for the budget unit for the ensuing school fiscal year to the ANB for each of the previous 2 school fiscal years; and

(b) dividing the sum calculated under subsection (13)(a) by three."

Section 9. Section 20-9-321, MCA, is amended to read:

"20-9-321. (Temporary) Allowable cost payment for special education. (1) As used in this section, "ANB" means the current year ANB.

(2) The 3-year average ANB provided for in 20-9-311~~(12)~~ does not apply to the calculation and distribution of state special education allowable cost payments provided for in this section.

(3) For the purpose of establishing the allowable cost payment for a current year special education program for a school district, the superintendent of public instruction shall determine the total special education payment to a school district, cooperative, or joint board for special education services formed under 20-3-361 prior to July 1, 1992, using the following factors:

(a) the district ANB student count as established pursuant to 20-9-311 and 20-9-313;

(b) a per-ANB amount for the special education instructional block grant;

(c) a per-ANB amount for the special education-related services block grant;

(d) an amount for cooperatives or joint boards meeting the requirements of 20-7-457, to compensate for the additional costs of operations and maintenance, travel, supportive services, recruitment, and administration; and

(e) any other data required by the superintendent of public instruction to administer the provisions of this section.

(4) (a) The total special education allocation must be distributed according to the following formula:

(i) 52.5% through instructional block grants;

(ii) 17.5% through related services block grants;

(iii) 25% to reimbursement of local districts; and

(iv) 5% to special education cooperatives and joint boards for administration and travel.

(b) Special education allowable cost payments outlined in subsection (4)(a) must be granted to each school district and cooperative with a special education program as follows:

(i) The instructional block grant limit prescribed in subsection (4)(a)(i) must be awarded to each school district, based on the district ANB and the per-ANB special education instructional amount.

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(ii) The special education-related services block grant limit prescribed in subsection (4)(a)(ii) must be awarded to each school district that is not a cooperative member, based on the district ANB and the per-ANB special education-related services amount, or to a cooperative or joint board that meets the requirements of 20-7-457. The special education-related services block grant amount for districts that are members of approved cooperatives or a joint board must be awarded to the cooperatives or joint board.

(iii) If a district's allowable costs of special education exceed the total of the special education instructional and special education-related services block grant plus the required district match required by subsection (6), the district is eligible to receive at least a 40% reimbursement of the additional costs. To ensure that the total of reimbursements to all districts does not exceed 25% of the total special education allocation limit established in subsection (4)(a)(iii), reimbursement must be made to districts for amounts that exceed a threshold level calculated annually by the office of public instruction. The threshold level is calculated as a percentage amount above the sum of the district's block grants plus the required district match.

(iv) Of the amount distributed under subsection (4)(a)(iv), three-fifths must be distributed based on the ANB count of the school districts that are members of the special education cooperative or joint board and two-fifths must be distributed based on distances, population density, and the number of itinerant personnel under rules adopted by the superintendent of public instruction.

(5) The superintendent of public instruction shall adopt rules necessary to implement this section.

(6) A district shall provide a 25% local contribution for special education, matching every $3 of state special education instructional and special education-related services block grants with at least one local dollar. A district that is a cooperative member is required to provide the 25% match of the special education-related services grant amount to the special education cooperative.

(7) The superintendent of public instruction shall determine the actual district match based on the trustees' reports. Any unmatched portion reverts to the state and must be subtracted from the district's ensuing year's special education allowable cost payment.

(8) A district that demonstrates severe economic hardship because of exceptional special education costs may apply to the superintendent of public instruction for an advance on the reimbursement for the year in which the actual costs will be incurred. (Terminates June 30, 2007—sec. 25(2), Ch. 462, L. 2005.)

20-9-321. (Effective July 1, 2007) Allowable cost payment for special education. *(1) As used in this section, "ANB" means the current year ANB.*

(2) The 3-year average ANB provided for in 20-9-311 does not apply to the calculation and distribution of state special education allowable cost payments provided for in this section.

~~(1)~~*(3)* For the purpose of establishing the allowable cost payment for a current year special education program for a school district, the superintendent of public instruction shall determine the total special education payment to a school district, cooperative, or joint board for special education services formed under 20-3-361 prior to July 1, 1992, using the following factors:

(a) the district ANB student count as established pursuant to 20-9-311 and 20-9-313;

(b) a per-ANB amount for the special education instructional block grant;

(c) a per-ANB amount for the special education-related services block grant;

(d) an amount for cooperatives or joint boards meeting the requirements of 20-7-457, to compensate for the additional costs of operations and maintenance, travel, supportive services, recruitment, and administration; and

(e) any other data required by the superintendent of public instruction to administer the provisions of this section.

~~(2)~~*(4)* (a) The total special education allocation must be distributed according to the following formula:

(i) 52.5% through instructional block grants;

(ii) 17.5% through related services block grants;

(iii) 25% to reimbursement of local districts; and

(iv) 5% to special education cooperatives and joint boards for administration and travel.

(b) Special education allowable cost payments outlined in subsection ~~(2)(a)~~ *(4)(a)* must be granted to each school district and cooperative with a special education program as follows:

(i) The instructional block grant limit prescribed in subsection ~~(2)(a)(i)~~ *(4)(a)(i)* must be awarded to each school district, based on the district ANB and the per-ANB special education instructional amount.

(ii) The special education-related services block grant limit prescribed in subsection ~~(2)(a)(ii)~~ *(4)(a)(ii)* must be awarded to each school district that is not a cooperative member, based on the district ANB and the per-ANB special education-related services amount, or to a cooperative or joint board that meets the requirements of 20-7-457. The special education-related services block grant amount for districts that are members of approved cooperatives or a joint board must be awarded to the cooperatives or joint board.

(iii) If a district's allowable costs of special education exceed the total of the special education instructional and special education-related services block grant plus the required district match required by subsection ~~(4)~~ *(6)*, the district is eligible to receive at least a 40% reimbursement of the additional costs. To ensure that the total of reimbursements to all districts does not exceed 25% of the total special education allocation limit established in subsection ~~(2)(a)(iii)~~ *(4)(a)(iii)*, reimbursement must be made to districts for amounts that exceed a threshold level calculated annually by the office of public instruction. The threshold level is calculated as a percentage amount above the sum of the district's block grants plus the required district match.

(iv) Of the amount distributed under subsection ~~(2)(a)(iv)~~ *(4)(a)(iv)*, three-fifths must be distributed based on the ANB count of the school districts that are members of the special education cooperative or joint board and two-fifths must be distributed based on distances, population density, and the number of itinerant personnel under rules adopted by the superintendent of public instruction.

~~(3)~~*(5)* The superintendent of public instruction shall adopt rules necessary to implement this section.

~~(4)~~*(6)* A district shall provide a 25% local contribution for special education, matching every $3 of state special education instructional and special education-related services block grants with at least one local dollar. A district that is a cooperative member is required to provide the 25% match of the special education-related services grant amount to the special education cooperative.

~~(5)~~*(7)* The superintendent of public instruction shall determine the actual district match based on the trustees' reports. Any unmatched portion reverts to the state and must be subtracted from the district's ensuing year's special education allowable cost payment.

~~(6)~~*(8)* A district that demonstrates severe economic hardship because of exceptional special education costs may apply to the superintendent of public instruction for an advance on the reimbursement for the year in which the actual costs will be incurred."

Section 10. Section 20-9-344, MCA, is amended to read:

"20-9-344. Duties of board of public education for distribution of BASE aid. (1) The board of public education shall administer and distribute the BASE aid and state advances for county equalization in the manner and with the powers and duties provided by law. The board of public education:

(a) shall adopt policies for regulating the distribution of BASE aid and state advances for county equalization in accordance with the provisions of law;

(b) may require reports from the county superintendents, county treasurers, and trustees ~~as~~ *that* it considers necessary; and

(c) shall order the superintendent of public instruction to distribute the BASE aid on the basis of each district's annual entitlement to the aid as established by the superintendent of public instruction. In ordering the distribution of BASE aid, the board of public education may not increase or decrease the BASE aid distribution to any district on account of any difference that may occur during the school fiscal year between budgeted and actual receipts from any other source of school revenue.

(2) The board of public education may order the superintendent of public instruction to withhold distribution of BASE aid from a district when the district fails to:

(a) submit reports or budgets as required by law or rules adopted by the board of public education; or

(b) maintain accredited status.

(3) Prior to any proposed order by the board of public education to withhold distribution of BASE aid or county equalization money, the district is entitled to a contested case hearing before the board of public education, as provided under the Montana Administrative Procedure Act.

(4) If a district or county receives more BASE aid than it is entitled to, the county treasurer shall return the overpayment to the state upon the request of the superintendent of public instruction in the manner prescribed by the superintendent of public instruction.

(5) Except as provided in 20-9-347(2), the BASE aid payment must be distributed according to the following schedule:

(a) from August to October of the school fiscal year, *to each district* 10% of*:*

(i) ~~the~~ direct state aid ~~to each district~~*;*

(ii) the total quality educator payment;

(iii) the total at-risk student payment;

(iv) the total Indian education for all payment; and

(v) the total American Indian achievement gap payment;

(b) from December to April of the school fiscal year, *to each district* 10% of*:*

(i) ~~the~~ direct state aid ~~to each district~~*;*

(ii) the total quality educator payment;

(iii) the total at-risk student payment;

(iv) the total Indian education for all payment; and

(v) the total American Indian achievement gap payment;

(c) in November of the school fiscal year, one-half of the guaranteed tax base aid payment to each district or county that has submitted a final budget to the superintendent of public instruction in accordance with the provisions of 20-9-134;

(d) in May of the school fiscal year, the remainder of the guaranteed tax base aid payment to each district or county; and

(e) in June of the school fiscal year, the remaining payment to each district of direct state aid, *the total quality educator payment, the total at-risk student payment, the total Indian education for all payment, and the total American Indian achievement gap payment.*

(6) The distribution provided for in subsection (5) must occur by the last working day of each month."

Section 11. Section 20-10-142, MCA, is amended to read:

"20-10-142. Schedule of maximum reimbursement for individual transportation. The following rates for individual transportation constitute the maximum reimbursement to districts for individual transportation from state and county sources of transportation revenue under the provisions of 20-10-145 and 20-10-146. These rates constitute the limitation of the budgeted amounts for individual transportation for the ensuing school fiscal year. The schedules provided in this section may not be altered by any authority other than the legislature. When the trustees contract with the parent or guardian of any eligible transportee to provide individual transportation for each day of school attendance, they shall reimburse the parent or guardian for actual miles transported on the basis of the following schedule:

(1) When a parent or guardian transports an eligible transportee or transportees from the residence of the parent or guardian to a school or to schools located within 3 miles of one another, the total reimbursement for each day of attendance is determined by multiplying the distance in miles between the residence and the school, or the most distant school if more than one, by 2, subtracting 6 miles from the product, and multiplying the difference by ~~25~~ *35* cents, provided that:

(a) if two or more eligible transportees are transported by a parent or guardian to two or more schools located within 3 miles of one another and if the schools are operated by different school districts, the total amount of the reimbursement must be divided equally between the districts;

(b) if two or more eligible transportees are transported by a parent or guardian to two or more schools located more than 3 miles from one another, the parent or guardian must be separately reimbursed for transporting the eligible transportee or transportees to each school;

(c) if a parent transports two or more eligible transportees to a school and a bus stop that are located within 3 miles of one another, the total reimbursement must be determined under the provisions of this subsection (1) and must be divided equally between the district operating the school and the district operating the bus;

(d) if a parent transporting two or more eligible transportees to a school or bus stop must, because of varying arrival and departure times, make more than one round-trip journey to the bus stop or school, the total reimbursement allowed by this section is limited to one round trip a day for each scheduled arrival or departure time;

(e) notwithstanding subsection (1)(a), (1)(b), (1)(c), or (1)(d), a reimbursement may not be less than ~~25~~ *35* cents a day.

(2) When the parent or guardian transports an eligible transportee or transportees from the residence to a bus stop of a bus route approved by the trustees for the transportation of the transportee or transportees, the total reimbursement for each day of attendance is determined by multiplying the distance in miles between the residence and the bus stop by 2, subtracting 6 miles from the product, and multiplying the difference by ~~25~~ *35* cents, provided that:

(a) if the eligible transportees attend schools in different districts but ride on one bus, the districts shall divide the total reimbursement equally; and

(b) if the parent or guardian is required to transport the eligible transportees to more than one bus, the parent or guardian must be separately reimbursed for transportation to each bus.

(3) When, because of excessive distances, impassable roads, or other special circumstances of isolation, the rates prescribed in subsection (1) or (2) would be an inadequate reimbursement for the transportation costs or would result in a physical hardship for the eligible transportee, a parent or guardian may request an increase in the reimbursement rate. A request for increased rates because of isolation must be made by the parent or guardian on the contract for individual transportation for the ensuing school fiscal year by indicating the special facts and circumstances that exist to justify the increase. Before an increased rate because of isolation may be paid to the requesting parent or guardian, the rate must be approved by the county transportation committee and the superintendent of public instruction after the trustees have indicated their approval or disapproval. Regardless of the action of the trustees and when approval is given by the committee and the superintendent of public instruction, the trustees shall pay the increased rate because of isolation. The increased rate is 1 1/2 times the rate prescribed in subsection (1).

(4) The state and county transportation reimbursement for an individual transportation contract may not exceed ~~$9.25~~ *$12.95* for each day of attendance for the first eligible transportee and ~~$6~~ *$8.40* for each day of attendance for each additional eligible transportee.

(5) When the isolated conditions of the household where an eligible transportee resides require an eligible transportee to live away from the household in order to attend school, the eligible transportee is eligible for the

room and board reimbursement. Approval to receive the room and board reimbursement must be obtained in the same manner prescribed in subsection (3). The per diem rate for room and board is ~~$9.25~~ *$12.95* for one eligible transportee and ~~$6~~ *$8.40* for each additional eligible transportee of the same household.

(6) When the individual transportation provision is to be satisfied by supervised home study or supervised correspondence study, the reimbursement rate is the cost of the study, provided that the course of instruction is approved by the trustees and supervised by the district."

Section 12. Codification instruction. [Sections 1 through 4] are intended to be codified as an integral part of Title 20, chapter 9, part 3, and the provisions of Title 20, chapter 9, part 3, apply to [sections 1 through 4].

Section 13. Notification to tribal governments. The secretary of state shall send a copy of [this act] to each tribal government located on the seven Montana reservations and to the Little Shell band of Chippewa.

Section 14. Contingent voidness. If House Bill No. 1 is not passed and approved with an appropriation for BASE aid, then [this act] is void.

Section 15. Effective date — applicability. [This act] is effective July 1, 2006, and applies to school budgets for school fiscal years beginning on or after July 1, 2006.

Approved December 19, 2005

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RESOLUTIONS

Passed by the

FIFTY-NINTH LEGISLATURE IN SPECIAL SESSION

Held at Helena, the Seat of Government
December 14 & 15, 2005

Explanatory Note: Section 5-11-205, MCA, provides that new parts of existing statutes be printed in italics and that deleted provisions be shown as stricken.

COMPILED BY MONTANA
LEGISLATIVE SERVICES DIVISION

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SENATE RESOLUTION NO. 1

A RESOLUTION OF THE SENATE OF THE STATE OF MONTANA CONCURRING IN, CONFIRMING, AND CONSENTING TO THE APPOINTMENT MADE BY THE CHIEF JUSTICE OF THE MONTANA SUPREME COURT AND SUBMITTED TO THE SENATE OF THE HONORABLE C. BRUCE LOBLE AS CHIEF WATER JUDGE OF THE STATE OF MONTANA.

WHEREAS, Chief Justice Karla Gray of the Montana Supreme Court made the appointment, below designated, pursuant to an Order of the Court, dated June 20, 2005; and

WHEREAS, the appointment has been submitted to the Senate, to wit:

C. Bruce Loble as Chief Water Judge of the State of Montana, to serve a 4-year term commencing July 1, 2005, and ending June 30, 2009.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE STATE OF MONTANA:

That the Senate of the December 2005 Special Session of the 59th Legislature of the State of Montana does hereby concur in, confirm, and consent to the above appointment.

BE IT FURTHER RESOLVED, that the Secretary of the Senate immediately deliver a copy of this resolution, certified by the President and Secretary of the Senate, to the Secretary of State and a copy, certified by the Secretary of the Senate, to the Governor pursuant to section 5-5-303, MCA.

Adopted December 14, 2005

SENATE RESOLUTION NO. 2

A RESOLUTION OF THE SENATE OF THE STATE OF MONTANA CONCURRING IN, CONFIRMING, AND CONSENTING TO THE APPOINTMENT MADE BY THE GOVERNOR AND SUBMITTED TO THE SENATE OF HONORABLE JAMES JEREMIAH SHEA AS WORKERS' COMPENSATION JUDGE.

WHEREAS, the Governor of the State of Montana made the appointment, below designated, on July 22, 2005; and

WHEREAS, the appointment has been submitted to the Senate, to wit:

James Jeremiah Shea as Workers' Compensation Judge for the State of Montana, for a 6-year term of office commencing September 7, 2005, and ending September 6, 2011.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE STATE OF MONTANA:

That the Senate of the December 2005 Special Session of the 59th Legislature of the State of Montana does hereby concur in, confirm, and consent to the above appointment.

BE IT FURTHER RESOLVED, that the Secretary of the Senate immediately deliver a copy of this resolution, certified by the President and

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Secretary of the Senate, to the Secretary of State and a copy, certified by the Secretary of the Senate, to the Governor pursuant to section 5-5-303, MCA.

Adopted December 14, 2005

SENATE RESOLUTION NO. 3

A RESOLUTION OF THE SENATE OF THE STATE OF MONTANA CONCURRING IN, CONFIRMING, AND CONSENTING TO THE APPOINTMENT MADE BY THE GOVERNOR AND SUBMITTED BY WRITTEN COMMUNICATION DATED DECEMBER 6, 2005, TO THE SENATE.

WHEREAS, the Governor of the State of Montana has made the appointment, below designated, that has been submitted to the Senate by the Governor pursuant to section 5-5-302, MCA:

As Director of the Department of Public Health and Human Services, in accordance with sections 2-15-111 and 2-15-2201, MCA, Joan Miles, Helena, Montana, appointed to serve a term at the pleasure of the Governor.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE STATE OF MONTANA:

That the Senate of the December 2005 Special Session of the 59th Legislature of the State of Montana does hereby concur in, confirm, and consent to the above appointment and that the Secretary of the Senate immediately deliver a copy of this resolution to the Secretary of State and to the Governor pursuant to section 5-5-303, MCA.

Adopted December 14, 2005

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TABLES

Code Sections Affected
Senate Bill to Chapter Number
House Bill to Chapter Number
Chapter Number to Bill Number
Effective Dates By Chapter Number
Effective Dates by Date
Session Law to Code

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CODE SECTIONS AFFECTED

Title-Chapter-Section	Action	Chapter	Bill Number
5-5-228	amended	Ch. 2	HB 2
20-5-323	amended	Ch. 4	SB 1
20-7-102	amended	Ch. 4	SB 1
20-9-306	amended	Ch. 4	SB 1
20-9-311	amended	Ch. 4	SB 1
20-9-321	amended	Ch. 4	SB 1
20-9-327	enacted	Ch. 4	SB 1
20-9-328	enacted	Ch. 4	SB 1
20-9-329	enacted	Ch. 4	SB 1
20-9-330	enacted	Ch. 4	SB 1
20-9-344	amended	Ch. 4	SB 1
20-10-142	amended	Ch. 4	SB 1

SENATE BILL TO CHAPTER NUMBER

Bill Number	Chapter Number
SB 1	4

HOUSE BILL TO CHAPTER NUMBER

Bill Number	Chapter Number	Bill Number	Chapter Number
HB 1	1	HB 5	3
HB 2	2		

CHAPTER NUMBER TO BILL NUMBER

Chapter Number	Bill Number	Chapter Number	Bill Number
Ch. 1	HB 1	Ch. 3	HB 5
Ch. 2	HB 2	Ch. 4	SB 1

EFFECTIVE DATES BY CHAPTER NUMBER

Chapter Number	Bill Number	Effective Date
Ch. 1 §§ 1(1), (3), (9), and (10), and 3	HB 1	12/16/2005
§§ 1(2), (4)-(8), and 2		07/01/2006
Ch. 2	HB 2	12/19/2005
Ch. 3	HB 5	12/19/2005
Ch. 4	SB 1	07/01/2006

EFFECTIVE DATES BY DATE

Effective Date	Chapter Number	Bill Number
12/16/2005	Ch. 1	HB 1
	§§ 1(1), (3), (9), and (10), and 3	
12/19/2005	Ch. 2	HB 2
12/19/2005	Ch. 3	HB 5
07/01/2006	Ch. 1	HB 1
	§§ 1(2), (4)-(8), and 2	
07/01/2006	Ch. 4	SB 1

SESSION LAW TO CODE

Ch.	Sec.	MCA
1	1	Appropriations
	2	Contingent voidness
	3	Effective dates
2	1	5-5-228
	2	Appropriation
	3	Effective date
3	1	Appropriations
	2	Reversion
	3	Effective date
4	1	20-9-327
	2	20-9-328
	3	20-9-329
	4	20-9-330
	5	20-5-323
	6	20-7-102
	7	20-9-306
	8	20-9-311
	9	20-9-321
	10	20-9-344
	11	20-10-142
	12	Codification instruction
	13	Notification to tribal governments
	14	Contingent voidness
	15	Effective date — applicability

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LAWS

Enacted by the

SIXTIETH LEGISLATURE
IN SPECIAL SESSION

Held at Helena, the Seat of Government
May 10, 2007, through May 15, 2007

Explanatory Note: Section 5-11-205, MCA, provides that new parts of existing statutes be printed in italics and that deleted provisions be shown as stricken.

COMPILED BY MONTANA
LEGISLATIVE SERVICES DIVISION

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OFFICERS AND MEMBERS OF THE MONTANA SENATE

MAY 2007

50 Members

26 Democrats 24 Republicans

OFFICERS

President.....Mike Cooney
President Pro Tempore.....Dan Harrington
Majority Leader.....Carol Williams
Majority Whips.....Lane Larson, Lynda Moss
Minority Leader.....Corey Stapleton
Minority Whips.....Greg Barkus, Dan McGee
Secretary of the Senate.....John Mudd

MEMBERS

Name	Party	District	Preferred Mailing Address
Bales, Keith	(R)	20	HC 39 Box 33, Otter MT 59062-9703
Balyeat, Joe	(R)	34	6909 Rising Eagle Rd, Bozeman MT 59715-8621
Barkus, Gregory	(R)	4	PO Box 2647, Kalispell MT 59903-2647
Black, Jerry	(R)	14	445 O'Haire Blvd, Shelby MT 59474-1950
Brown, Roy	(R)	25	PO Box 22273, Billings MT 59104-2273
Brueggeman, John	(R)	6	321 Lakeview Dr, Polson MT 59860-9317
Cobb, John	(R)	9	PO Box 388, Augusta MT 59410-0388
Cocchiarella, Vicki	(D)	47	515 8th Ave, Helena MT 59601-3778
Cooney, Mike	(D)	40	713 Pyrite Court, Helena MT 59601-5877
Curtiss, Aubyn	(R)	1	PO Box 216, Fortine MT 59918-0216
Elliott, Jim	(D)	7	100 Trout Creek Rd, Trout Creek MT 59874-9609
Esp, John	(R)	31	PO Box 1024, Big Timber MT 59011-1024
Essmann, Jeff	(R)	28	2101 PO Box 80945, Billings MT 59108-0945
Gallus, Steve	(D)	37	2319 Harvard Ave, Butte MT 59701-3854
Gebhardt, Kelly	(R)	23	PO Box 724, Roundup MT 59072-0724
Gillan, Kim	(D)	24	750 Judicial Ave, Billings MT 59105-2130
Hansen, Ken (Kim)	(D)	17	PO Box 686, Harlem MT 59526-0686
Harrington, Dan	(D)	38	1201 N Excelsior Ave, Butte MT 59701-8505
Hawks, Bob	(D)	33	703 W Koch St, Bozeman MT 59715-4477
Jackson, Verdell	(R)	5	555 Wagner Ln, Kalispell MT 59901-8079
Jent, Larry	(D)	32	1201 S 3rd St, Bozeman MT 59715-5503
Juneau, Carol	(D)	8	PO Box 55, Browning MT 59417-0055
Kaufmann, Christine	(D)	41	825 Breckenridge St, Helena MT 59601-4433
Kitzenberg, Sam	(D)	18	130 Bonnie St Apt 1, Glasgow MT 59230-2101
Laible, Rick	(R)	44	PO Box 370, Darby MT 59829-0370
Larson, Lane	(D)	22	1417 Cedar Canyon Rd, Billings MT 59101-6440
Laslovich, Jesse	(D)	43	112 Mountain View St, Anaconda MT 59711-1616
Lewis, Dave	(R)	42	5871 Collins Rd, Helena MT 59602-9584
Lind, Greg	(D)	50	PO Box 16720, Missoula MT 59808-6720
McGee, Daniel	(R)	29	1925 Pinyon Dr, Laurel MT 59044-9381
Moss, Lynda	(D)	26	552 Highland Park Dr, Billings MT 59102-1046
Murphy, Terry	(R)	39	893 Boulder Cutoff Rd, Cardwell MT 59721
O'Neil, Jerry	(R)	3	985 Walsh Rd, Columbia Falls MT 59912-9044
Pease, Gerald	(D)	21	PO Box 556, Lodge Grass MT 59050-0556
Perry, Gary	(R)	35	3325 W Cedar Meadow Ln, Manhattan MT 59741-8240
Peterson, Jim	(R)	15	RR 1 Box 2, Buffalo MT 59418-9501
Ryan, Don	(D)	10	2101 7th Ave S, Great Falls MT 59405-2821
Schmidt, Trudi	(D)	11	4029 6th Ave S, Great Falls MT 59405-3746

Shockley, Jim	(R)	45	PO Box 608, Victor MT 59875-0608
Smith, Frank	(D)	16	PO Box 729, Poplar MT 59255-0729
Squires, Carolyn	(D)	48	2111 S 10th St W, Missoula MT 59801-3412
Stapleton, Corey	(R)	27	2015 Eastridge Dr, Billings MT 59102-7904
Steinbeisser, Donald	(R)	19	11918 County Rd 348, Sidney MT 59270-9620
Story, Robert	(R)	30	133 Valley Creek Rd, Park City MT 59063-8040
Tash, Bill	(R)	36	240 Vista Dr, Dillon MT 59725-3111
Tropila, Joseph	(D)	13	209 2nd St NW, Great Falls MT 59404-1301
Tropila, Mitch	(D)	12	PO Box 2286, Great Falls MT 59403-2286
Wanzenried, David	(D)	49	903 Sky Dr, Missoula MT 59804-3121
Weinberg, Dan	(D)	2	575 Delrey Rd, Whitefish MT 59937-8042
Williams, Carol	(D)	46	3533 Lincoln Hills Pt, Missoula MT 59802

OFFICERS AND MEMBERS OF THE MONTANA HOUSE OF REPRESENTATIVES

MAY 2007

100 Members

50 Republicans 49 Democrats 1 Constitutionalist

OFFICERS

Speaker ..... Scott Sales
Speaker Pro Tempore ..... Debby Barrett
Majority Leader ..... Michael Lange
Majority Whips ..... Tom McGillvray, Gary MacLaren
Minority Leader ..... John Parker
Deputy Minority Leader ..... Bob Bergren
Minority Floor Leader ..... Art Noonan
Minority Whips ..... Margarett Campbell, Dave McAlpin
Minority Caucus Leader ..... Dan Villa
Chief Clerk of the House ..... Marilyn Miller

MEMBERS

Name	Party	District	Preferred Mailing Address
Ankney, Duane	(R)	43	PO Box 2138, Colstrip MT 59323-2138
Arntzen, Elsie	(R)	53	850 Senora Ave, Billings MT 59105-2051
Augare, Shannon	(D)	16	PO Box 2031, Browning MT 59417-2031
Barrett, Debby	(R)	72	18580 MT Hwy 324, Dillon MT 59725-8031
Beck, Bill	(R)	6	PO Box 2049, Whitefish MT 59937-2049
Becker, Arlene	(D)	52	1440 Lewis Ave, Billings MT 59101-4240
Bergren, Bob	(D)	33	1132 26th Ave W, Havre MT 59501-8609
Bixby, Norma	(D)	41	PO Box 1165, Lame Deer MT 59043-1165
Blasdel, Mark	(R)	10	PO Box 291, Somers MT 59932-0291
Boggio, Scott	(R)	59	HC 50 Box 4754, Red Lodge MT 59068-4754
Branae, Gary	(D)	54	415 Yellowstone Ave, Billings MT 59101-1730
Butcher, Edward	(R)	29	PO Box 89, Winifred MT 59489-0089
Caferro, Mary	(D)	80	PO Box 1036, Helena MT 59624-1036
Callahan, Tim	(D)	21	728 36 Ave NE, Great Falls MT 59404-1132
Campbell, Margarett	(D)	31	PO Box 228, Poplar MT 59255-0228
Clark, Edith	(R)	28	PO Box 34, Sweetgrass MT 59484-0034
Cohenour, Jill	(D)	78	2610 Colt Dr, East Helena MT 59635-3442
Cordier, Douglas	(D)	3	1930 Tamarack Ln, Columbia Falls MT 59912-8816
Dickenson, Sue	(D)	25	620 Riverview Dr E, Great Falls MT 59404-1637
Driscoll, Robyn	(D)	51	724 N 16th St, Billings MT 59101-0418
Dutton, Ernie	(R)	56	2046 Mariposa Ln, Billings MT 59102-2347
Ebinger, Bob	(D)	62	128 S Yellowstone St, Livingston MT 59047-2634
Erickson, Ron	(D)	93	3250 Pattee Canyon Rd, Missoula MT 59803-1703
Everett, George	(R)	5	1344 Helena Flats Rd, Kalispell MT 59901-6548
Franklin, Eve	(D)	24	PO Box 6507, Great Falls MT 59406-6507
French, Julie	(D)	36	PO Box 356, Scobey MT 59263-0356
*Furey, Timothy	(D)	91	280 Hellgate Dr, Missoula MT 59802-8739
Gallik, Dave	(D)	79	1124 Billings Ave, Helena MT 59601-3505
Glaser, William	(R)	44	1402 Indian Creek Rd, Huntley MT 59037-9338
Grinde, Wanda	(D)	48	1910 Bannack Dr, Billings MT 59105-4236
Groesbeck, George	(D)	74	2044 Carolina Ave, Butte MT 59701-6025
Hamilton, Robin	(D)	92	330 Daly Ave, Missoula MT 59801-4338
Hands, Betsy	(D)	99	1337 Sherwood St, Missoula MT 59802-2301
Hawk, Ray	(R)	90	NW 4878 Hoblitt Ln, Florence MT 59833-6832
Heinert, Ralph	(R)	1	PO Box 577, Libby MT 59923-0577
Hendrick, Gordon	(R)	14	PO Box 262, Superior MT 59872-0262
Henry, Teresa	(D)	96	204 Chestnut St, Missoula MT 59801-1809

Hilbert, Edward	(R)	38	120 Hillcrest Ave, Glendive MT 59330-2815
Himmelberger, Dennis	(R)	47	PO Box 22272, Billings MT 59104-2272
Hiner, Cynthia	(D)	85	1027 Kentucky St, Deer Lodge MT 59722-2041
Hollenbaugh, Galen	(D)	81	907 N Ewing St, Helena MT 59601-3405
Ingraham, Pat	(R)	13	PO Box 1151, Thompson Falls MT 59873-1151
Jacobson, Hal	(D)	82	4813 US Hwy 12 W, Helena MT 59601-9694
Jayne, Joey	(D)	15	299 Lumpry Rd, Arlee MT 59821-9747
Jones, Llew	(R)	27	1102 4th Ave SW, Conrad MT 59425-1919
Jones, William	(R)	9	567 East Village Dr, Bigfork MT 59911-6152
Jopek, Mike	(D)	4	PO Box 4272, Whitefish MT 59937-4272
Jore, Rick	(C)	12	30488 Mount Harding Ln, Ronan MT 59864-9446
Kasten, Dave	(R)	30	113 Bob Fudge Rd, Brockway MT 59214-8706
Keane, Jim	(D)	75	2131 Wall St, Butte MT 59701-5527
Kerns, Krayton	(R)	58	1408 Golf Course Rd, Laurel MT 59044-3600
Klock, Harry	(R)	83	PO Box 308, Harlowton MT 59036-0308
Koopman, Roger	(R)	70	811 S Tracy Ave, Bozeman MT 59715-5325
Kottel, Deborah	(D)	20	6301 43rd St SW, Great Falls MT 59404-5249
Lake, Bob	(R)	88	PO Box 2096, Hamilton MT 59840-2096
Lambert, Carol	(R)	39	PO Box 2, Broadus MT 59317-0002
Lange, Michael	(R)	55	208 Fair Park Dr, Billings MT 59102-5734
MacLaren, Gary	(R)	89	429 Curlew Orchard Rd, Victor MT 59875-9519
Malcolm, Bruce	(R)	61	2319 Hwy 89 S, Emigrant MT 59027-6023
McAlpin, Dave	(D)	94	800 Woodworth Ave, Missoula MT 59801-7046
McChesney, Bill	(D)	40	316 Missouri Ave, Miles City MT 59301-4140
McGillvray, Tom	(R)	50	3642 Donna Dr, Billings MT 59102-1119
McNutt, Walter	(R)	37	110 12th Ave SW, Sidney MT 59270-3614
Mendenhall, Scott	(R)	77	214 Solomon Mountain Rd, Clancy MT 59634-9213
Milburn, Mike	(R)	19	276 Chestnut Valley Rd, Cascade MT 59421-8204
Morgan, Penny	(R)	57	3401 Waterloo Cir, Billings MT 59101-8000
Musgrove, John	(D)	34	810 8th St, Havre MT 59501-4127
Noonan, Art	(D)	73	1621 Whitman Ave, Butte MT 59701-5380
Nooney, Bill	(R)	100	PO Box 4892, Missoula MT 59806-4892
O'Hara, Jesse	(R)	18	2221 Holly Ct, Great Falls MT 59404-3562
Olson, Alan	(R)	45	18 Halfbreed Creek Rd, Roundup MT 59072-6524
Parker, John	(D)	23	PO Box 558, Great Falls MT 59403-0558
Peterson, Ken	(R)	46	424 48th St W, Billings MT 59106-2306
Phillips, Mike	(D)	66	615 S Black Ave, Bozeman MT 59715-5303
Pomnichowski, JP	(D)	63	222 Westridge Dr, Bozeman MT 59715-6025
Raser, Holly	(D)	98	4304 Spurgin Rd, Missoula MT 59804-4520
Reinhart, Michele	(D)	97	PO Box 5945, Missoula MT 59806-5945
Rice, Diane	(R)	71	PO Box 216, Harrison MT 59735-0216
Ripley, Rick	(R)	17	8920 MT Hwy 200, Wolf Creek MT 59648-8639
Ross, John	(R)	60	129 N Stillwater Rd, Absarokee MT 59001-6235
Sales, Scott	(R)	68	5200 Bostwick Rd, Bozeman MT 59715-7721
Sands, Diane	(D)	95	4487 Nicole Ct, Missoula MT 59803-2791
Sesso, Jon	(D)	76	155 W Granite, Butte MT 59701-9256
Sinrud, John	(R)	67	284 Frontier Dr, Bozeman MT 59718-7975
Small-Eastman, Veronica	(D)	42	PO Box 262, Lodge Grass MT 59050-0262
Sonju, Jon	(R)	7	PO Box 2954, Kalispell MT 59903-2954
Stahl, Wayne	(R)	35	PO Box 345, Saco MT 59261-0345
Stoker, Ron	(R)	87	PO Box 1059, Darby MT 59829-1059
Taylor, Janna	(R)	11	PO Box 233, Dayton MT 59914-0233
Thomas, Bill	(D)	26	1200 Adobe Dr, Great Falls MT 59404-3732
Van Dyk, Kendall	(D)	49	PO Box 441, Billings MT 59103-0441
Villa, Dan	(D)	86	1619 W Park Ave, Anaconda MT 59711-1831
Vincent, Chas	(R)	2	5957 Champion Rd, Libby MT 59923
Ward, John	(R)	84	4525 Glass Dr, Helena MT 59602-9509
Wells, Jack	(R)	69	150 Coulee Dr, Bozeman MT 59718-7717
Wilmer, Franke	(D)	64	7205 Lorelei Dr, Bozeman MT 59715-8925
Wilson, Bill	(D)	22	1305 2nd Ave N, Great Falls MT 59401-3217
Windy Boy, Jonathan	(D)	32	PO Box 269, Box Elder MT 59521-0269
Wiseman, Brady	(D)	65	3247 Gardenbrook Ln, Bozeman MT 59715-0686
Witte, Craig	(R)	8	131 Collier Ln, Kalispell MT 59901-4621

*Timothy Furey was appointed on May 9, 2007, to fill the seat of Kevin Furey, who was unable to be present at the May 2007 Special Session due to being called to active military duty.

TITLE CONTENTS

HOUSE AND SENATE BILLS

Chapter Page

1 *(Senate Bill No. 2; Williams)* GENERALLY REVISING LAWS RELATING TO EDUCATION; ESTABLISHING A LOAN ASSISTANCE PROGRAM FOR AREAS WITH QUALIFIED EDUCATOR SHORTAGES; PROVIDING A SOURCE OF FUNDING FOR SCHOOL FACILITY IMPROVEMENTS; PROVIDING THAT MINERAL ROYALTIES PURCHASED THROUGH A LOAN FROM THE COAL SEVERANCE TAX PERMANENT FUND IN EXCESS OF THE AMOUNT NECESSARY TO REPAY THE LOAN BE TRANSFERRED FROM THE GUARANTEE ACCOUNT TO A SCHOOL FACILITY IMPROVEMENT ACCOUNT; PROVIDING FULL-TIME ANB FUNDING TO PUBLIC SCHOOL DISTRICTS FOR OPTIONAL ENROLLMENT OF STUDENTS IN A FULL-TIME KINDERGARTEN PROGRAM OFFERED BY A DISTRICT; PROVIDING STARTUP COSTS FOR FULL-TIME KINDERGARTEN; CHANGING THE METHOD FOR CALCULATING THE BASIC ENTITLEMENT FOR APPROVED AND ACCREDITED JUNIOR HIGH AND MIDDLE SCHOOLS; INCREASING THE QUALITY EDUCATOR PAYMENT AND EXPANDING ELIGIBLE INDIVIDUALS; PROVIDING INFLATIONARY INCREASES TO SCHOOLS; INCREASING THE PERCENTAGE OF GUARANTEED TAX BASE AID; PROHIBITING DIVERSION OF INDIAN EDUCATION FOR ALL FUNDS; REVISING THE GOVERNOR'S POSTSECONDARY SCHOLARSHIP PROGRAM; AUTHORIZING ONE-TIME-ONLY PAYMENTS TO SCHOOLS FOR PURPOSES OF CAPITAL INVESTMENT AND DEFERRED MAINTENANCE CONTINGENT ON THE AVAILABILITY OF FUNDS; PROVIDING A DISTRIBUTION MECHANISM FOR ONE-TIME-ONLY INDIAN EDUCATION FOR ALL MONEY; AMENDING SECTIONS 17-6-340, 20-1-301, 20-3-205, 20-7-117, 20-9-306, 20-9-311, 20-9-313, 20-9-314, 20-9-327, 20-9-329, 20-9-330, 20-9-366, 20-9-622, 20-26-602, AND 20-26-603, MCA; REPEALING SECTIONS 20-26-611, 20-26-612, AND 20-26-613, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE 2791

2 *(House Bill No. 3; Jones)* PROVIDING PROPERTY TAX INCENTIVES FOR NEW INVESTMENT IN THE CONVERSION, TRANSPORT, MANUFACTURING RELATED TO, AND RESEARCH AND DEVELOPMENT OF RENEWABLE ENERGY, NEW TECHNOLOGY ENERGY, AND CLEAN COAL ENERGY AND CARBON DIOXIDE EQUIPMENT AND FACILITIES; PROVIDING PROPERTY TAX ABATEMENTS FOR CERTAIN RENEWABLE ENERGY, NEW TECHNOLOGY ENERGY, AND CLEAN COAL ENERGY-RELATED PROPERTY; ALLOWING A PROPERTY TAX EXEMPTION, UNDER CERTAIN CONDITIONS, FOR LAND ADJACENT TO TRANSMISSION LINES; CREATING A NEW CLASS OF PROPERTY TAXES FOR CERTAIN PIPELINES AND CARBON DIOXIDE EQUIPMENT AND FACILITIES; CREATING A NEW CLASS OF PROPERTY FOR CERTAIN DIRECT-CURRENT CONVERTER STATION PROPERTY; REVISING CLASS FOURTEEN PROPERTY TO INCLUDE TAXATION OF CERTAIN RENEWABLE ENERGY, NEW TECHNOLOGY ENERGY, CLEAN COAL ENERGY FACILITIES, CARBON CAPTURE EQUIPMENT, AND TRANSMISSION LINES; AMENDING SECTIONS 15-6-141 AND 15-6-157, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE 2816

3 *(House Bill No. 4; Callahan)* APPROPRIATING MONEY FOR CAPITAL PROJECTS AND INFORMATION TECHNOLOGY CAPITAL PROJECTS FOR THE BIENNIUM ENDING JUNE 30, 2009; PROVIDING FOR OTHER MATTERS RELATING TO THE APPROPRIATIONS; PROVIDING FOR A TRANSFER OF FUNDS FROM THE STATE GENERAL FUND TO THE LONG-RANGE BUILDING PROGRAM ACCOUNT; PROVIDING FOR A TRANSFER OF FUNDS FROM THE STATE GENERAL FUND TO THE FISH, WILDLIFE, AND PARKS CAPITAL PROJECTS ACCOUNT; PROVIDING FOR A TRANSFER OF FUNDS FROM THE STATE GENERAL FUND TO THE LONG-RANGE INFORMATION TECHNOLOGY PROGRAM ACCOUNT; PROVIDING FOR THE DEVELOPMENT AND ACQUISITION OF NEW INFORMATION TECHNOLOGY SYSTEMS FOR THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES, THE DEPARTMENT OF ADMINISTRATION, AND THE JUDICIAL BRANCH; PROVIDING FOR THE REAPPROPRIATION OF LONG-RANGE INFORMATION TECHNOLOGY CAPITAL PROJECT FUNDS; REQUIRING APPROVAL OF PROJECT AND SECURITY PLANS FOR CERTAIN PROJECTS; REVISING CAPITAL PROJECTS AUTHORIZED FOR THE BIENNIUM ENDING JUNE 30, 2007; APPROPRIATING STATE GENERAL FUND MONEY FROM THE SALE OF THE MISSOULA ARMORY; APPROPRIATING MONEY FROM THE STATE GENERAL FUND FOR OPERATING EXPENSES ASSOCIATED WITH INFORMATION TECHNOLOGY PROJECTS AND ENERGY CONSERVATION PROJECTS IN STATE BUILDINGS; REQUIRING PAYMENT OF ENERGY COST SAVINGS TO A SPECIAL REVENUE ACCOUNT; PROHIBITING TELECOMMUNICATIONS AND INFORMATION SERVICES COMPETITION; AMENDING SECTION 2, CHAPTER 560, LAWS OF 2005; REPEALING SECTION 8, CHAPTER 560, LAWS OF 2005; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE 2826

4 *(House Bill No. 6; Himmelberger)* GENERALLY REVISING THE LAWS APPLICABLE TO THE LEGISLATURE AND LEGISLATORS; DEFINING MAJORITY LEADER, MAJORITY PARTY, MINORITY LEADER, AND MINORITY PARTY; PROVIDING OPTIONS FOR APPOINTING LEGISLATORS TO A COMMITTEE, SUBCOMMITTEE, OR OTHER ENTITY; AMENDING SECTIONS 2-2-135, 2-15-212, 2-15-246, 2-15-1019, 2-15-2110, 5-1-103, 5-2-221, 5-5-211, 5-11-101, 5-11-305, 5-12-202, 5-13-202, 5-16-101, 13-37-102, 53-2-1203, 53-10-203, AND 75-6-231, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE 2842

5 *(House Bill No. 2; Clark)* APPROPRIATING MONEY TO VARIOUS STATE AGENCIES FOR THE BIENNIUM ENDING JUNE 30, 2009; AND PROVIDING AN EFFECTIVE DATE 2853

6 *(House Bill No. 9; Sonju)* PROVIDING A REFUND OF UP TO A TOTAL OF $400 OF 2006 MONTANA PROPERTY TAXES PAID BY A TAXPAYER OR TAXPAYERS ON THE RESIDENCE THAT THEY OWNED AND OCCUPIED AS THEIR PRINCIPAL RESIDENCE FOR AT LEAST 7 MONTHS DURING 2006 AND OF CERTAIN 2005 AND 2004 MONTANA PROPERTY TAXES PAID ON THE PRINCIPAL RESIDENCE; PROVIDING THE PROCEDURE FOR ESTABLISHING ENTITLEMENT TO THE REFUND AND THE PERIOD WITHIN WHICH THE ENTITLEMENT MUST BE ESTABLISHED; ALLOWING A REFUNDABLE INCOME TAX CREDIT FOR THE AMOUNT OF PROPERTY TAXES PAID ON $20,000 OF MARKET VALUE OF A PRINCIPAL RESIDENCE ATTRIBUTABLE TO THE 95-MILL STATEWIDE LEVIES TO FUND SCHOOLS; PROVIDING APPROPRIATIONS; AMENDING SECTIONS 15-1-201 AND 17-7-502, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A TERMINATION DATE. 2935

CHAPTER NO. 1

[SB 2]

AN ACT GENERALLY REVISING LAWS RELATING TO EDUCATION; ESTABLISHING A LOAN ASSISTANCE PROGRAM FOR AREAS WITH QUALIFIED EDUCATOR SHORTAGES; PROVIDING A SOURCE OF FUNDING FOR SCHOOL FACILITY IMPROVEMENTS; PROVIDING THAT MINERAL ROYALTIES PURCHASED THROUGH A LOAN FROM THE COAL SEVERANCE TAX PERMANENT FUND IN EXCESS OF THE AMOUNT NECESSARY TO REPAY THE LOAN BE TRANSFERRED FROM THE GUARANTEE ACCOUNT TO A SCHOOL FACILITY IMPROVEMENT ACCOUNT; PROVIDING FULL-TIME ANB FUNDING TO PUBLIC SCHOOL DISTRICTS FOR OPTIONAL ENROLLMENT OF STUDENTS IN A FULL-TIME KINDERGARTEN PROGRAM OFFERED BY A DISTRICT; PROVIDING STARTUP COSTS FOR FULL-TIME KINDERGARTEN; CHANGING THE METHOD FOR CALCULATING THE BASIC ENTITLEMENT FOR APPROVED AND ACCREDITED JUNIOR HIGH AND MIDDLE SCHOOLS; INCREASING THE QUALITY EDUCATOR PAYMENT AND EXPANDING ELIGIBLE INDIVIDUALS; PROVIDING INFLATIONARY INCREASES TO SCHOOLS; INCREASING THE PERCENTAGE OF GUARANTEED TAX BASE AID; PROHIBITING DIVERSION OF INDIAN EDUCATION FOR ALL FUNDS; REVISING THE GOVERNOR'S POSTSECONDARY SCHOLARSHIP PROGRAM; AUTHORIZING ONE-TIME-ONLY PAYMENTS TO SCHOOLS FOR PURPOSES OF CAPITAL INVESTMENT AND DEFERRED MAINTENANCE CONTINGENT ON THE AVAILABILITY OF FUNDS; PROVIDING A DISTRIBUTION MECHANISM FOR ONE-TIME-ONLY INDIAN EDUCATION FOR ALL MONEY; AMENDING SECTIONS 17-6-340, 20-1-301, 20-3-205, 20-7-117, 20-9-306, 20-9-311, 20-9-313, 20-9-314, 20-9-327, 20-9-329, 20-9-330, 20-9-366, 20-9-622, 20-26-602, AND 20-26-603, MCA; REPEALING SECTIONS 20-26-611, 20-26-612, AND 20-26-613, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE.

Be it enacted by the Legislature of the State of Montana:

Section 1. Quality educator loan assistance program. There is a quality educator loan assistance program administered by the board of regents through the office of the commissioner of higher education. The program must provide for the direct repayment of educational loans of eligible quality educators in accordance with policies and procedures adopted by the board of regents in accordance with [sections 1 through 6].

Section 2. Definitions. For purposes of [sections 1 through 6], unless the context requires otherwise, the following definitions apply:

(1) "Education cooperative" means a cooperative of Montana public schools as described in 20-7-451.

(2) "Educational loans" means all loans made pursuant to a federal loan program, except federal parent loans for undergraduate students (PLUS) loans, as provided in 20 U.S.C. 1078-2.

(3) "Federal loan program" means educational loans authorized by 20 U.S.C. 1071, et seq., 20 U.S.C. 1087a, et seq., and 20 U.S.C. 1087aa, et seq.

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(4) (a) "Quality educator" means a full-time equivalent educator, as reported to the superintendent of public instruction for accreditation purposes in the previous school year, who:

(i) holds a valid certificate under the provisions of 20-4-106 and is employed by an entity listed in subsection (4)(b) in a position that requires an educator license in accordance with administrative rules adopted by the board of public education; or

(ii) is a licensed professional under 37-8-405, 37-8-415, 37-11-301, 37-15-301, 37-17-302, 37-22-301, 37-23-201, 37-24-301, or 37-25-302 and is employed by an entity listed in subsection (4)(b) of this section to provide services to students.

(b) For purposes of subsection (4)(a), an entity means:

(i) a school district;

(ii) an education cooperative;

(iii) the Montana school for the deaf and blind, as described in 20-8-101;

(iv) the Montana youth challenge program; and

(v) a state youth correctional facility, as defined in 41-5-103.

(5) "School district" means a public school district, as provided in 20-6-101 and 20-6-701.

Section 3. Critical quality educator shortages. (1) The board of public education, in consultation with the office of public instruction, shall identify:

(a) specific schools that are impacted by critical quality educator shortages; and

(b) within the schools identified in subsection (1)(a), the specific quality educator licensure or endorsement areas that are impacted by critical quality educator shortages.

(2) The board of public education shall publish an annual report listing the schools and the licensure or endorsement areas identified as impacted by critical quality educator shortages, explaining the reasons that specific schools and licensure or endorsement areas have been identified and providing information regarding any success in retention.

(3) Quality educators working at schools identified in subsection (1) are eligible for repayment of all or part of the quality educator's outstanding educational loans existing at the time of application in accordance with the eligibility and award criteria established under [sections 1 through 6].

Section 4. Loan repayment assistance. Loan repayment assistance may be provided on behalf of a quality educator who:

(1) is employed in an identified school described in [section 3(1)]; and

(2) has an educational loan that is not in default and that has a minimum unpaid current balance of at least $1,000 at the time of application.

Section 5. Loan repayment assistance documentation. (1) A quality educator shall submit an application for loan repayment assistance to the board of regents in accordance with policies and procedures adopted by the board of regents. The application must include official verification or proof of the applicant's total unpaid accumulated educational loan debt and other documentation required by the board of regents that is necessary for verification of the applicant's eligibility.

(2) A quality educator is eligible for loan repayment assistance for up to a maximum of 4 years. The total annual loan repayment assistance for an eligible quality educator may not exceed $3,000. The board of regents may require an eligible quality educator to provide documentation that the quality educator has exhausted repayment assistance from other federal, state, or local loan forgiveness, discharge, or repayment incentive programs.

(3) The board of regents may remit payment of the loan on behalf of the quality educator in accordance with the requirements of [sections 1 through 6] and policies and procedures adopted by the board of regents.

Section 6. Funding — priorities. (1) If the funding for [sections 1 through 6] in any year is less than the total amount for which Montana quality educators qualify, the board of regents shall provide preference in the award of loan repayment assistance to quality educators working in the specific schools that are most impacted by quality educator shortages identified as provided in [section 3].

(2) [Sections 1 through 6] may not be construed to require the provision of loan repayment assistance without an express appropriation for that purpose. [Sections 1 through 6] may not be construed to require loan repayment assistance for school years prior to [the effective date of this section].

Section 7. Section 17-6-340, MCA, is amended to read:

"17-6-340. Purchase of permanent fund mineral estate. The department of natural resources and conservation may purchase the mineral production rights held by the public school fund established in Article X, section 2, of the Montana constitution for fair market value. If the department of natural resources and conservation purchases mineral production rights, any royalty payments received by the board that are not used to reimburse the coal severance tax trust fund for the loan used for purchasing the mineral production rights must be deposited in the guarantee account provided for in 20-9-622 *and transferred to the school facility improvement account provided for in [section 8]*."

Section 8. School facility improvement account. There is a school facility improvement account in the state special revenue fund provided for in 17-2-102. The purpose of the account is to provide money to schools to implement the recommendations of the school facility condition and needs assessment and energy audit conducted pursuant to section 1, Chapter 1, Special Laws of December 2005, for:

(1) major deferred maintenance;

(2) improving energy efficiency in school facilities; or

(3) critical infrastructure in school districts.

Section 9. Section 20-1-301, MCA, is amended to read:

"20-1-301. School fiscal year. (1) The school fiscal year begins on July 1 and ends on June 30. At least the minimum aggregate hours defined in subsection (2) must be conducted during each school fiscal year, except that 1,050 aggregate hours of pupil instruction for graduating seniors may be sufficient~~ or a minimum of 360 aggregate hours of pupil instruction must be conducted for a kindergarten program, as provided in 20-7-117~~.

(2) The minimum aggregate hours required by grade are:

(a) 360 hours for a half-time kindergarten program or 720 hours for a full-time kindergarten program, as provided in 20-7-117;

~~(a)~~*(b)* 720 hours for grades 1 through 3; and

~~(b)~~*(c)* 1,080 hours for grades 4 through 12.

(3) For any elementary or high school district that fails to provide for at least the minimum aggregate hours, as listed in subsections (1) and (2), the superintendent of public instruction shall reduce the direct state aid for the district for that school year by two times an hourly rate, as calculated by the office of public instruction, for the aggregate hours missed."

Section 10. Section 20-3-205, MCA, is amended to read:

"20-3-205. Powers and duties. (1) The county superintendent has general supervision of the schools of the county within the limitations prescribed by this title and shall perform the following duties or acts:

(a) determine, establish, and reestablish trustee nominating districts in accordance with the provisions of 20-3-352, 20-3-353, and 20-3-354;

(b) administer and file the oaths of members of the boards of trustees of the districts in the county in accordance with the provisions of 20-3-307;

(c) register the teacher or specialist certificates or emergency authorization of employment of any person employed in the county as a teacher, specialist, principal, or district superintendent in accordance with the provisions of 20-4-202;

(d) file a copy of the audit report for a district in accordance with the provisions of 20-9-203;

(e) classify districts in accordance with the provisions of 20-6-201 and 20-6-301;

(f) keep a transcript of the district boundaries of the county;

(g) fulfill all responsibilities assigned under the provisions of this title regulating the organization, alteration, or abandonment of districts;

(h) act on any unification proposition and, if approved, establish additional trustee nominating districts in accordance with 20-6-312 and 20-6-313;

(i) estimate the average number belonging (ANB) of an opening school in accordance with the provisions of 20-6-502, 20-6-503, 20-6-504, or 20-6-506;

(j) process and, when required, act on school isolation applications in accordance with the provisions of 20-9-302;

(k) complete the budgets, compute the budgeted revenue and tax levies, file final budgets and budget amendments, and fulfill other responsibilities assigned under the provisions of this title regulating school budgeting systems;

(l) submit an annual financial report to the superintendent of public instruction in accordance with the provisions of 20-9-211;

(m) monthly, unless otherwise provided by law, order the county treasurer to apportion state money, county school money, and any other school money subject to apportionment in accordance with the provisions of 20-9-212, 20-9-347, 20-10-145, or 20-10-146;

(n) act on any request to transfer average number belonging (ANB) in accordance with the provisions of ~~20-9-313(3)~~ *20-9-313(1)(c)*;

(o) calculate the estimated budgeted general fund sources of revenue in accordance with the general fund revenue provisions of the general fund part of this title;

(p) compute the revenue and compute the district and county levy requirements for each fund included in each district's final budget and report the computations to the board of county commissioners in accordance with the provisions of the general fund, transportation, bonds, and other school funds parts of this title;

(q) file and forward bus driver certifications, transportation contracts, and state transportation reimbursement claims in accordance with the provisions of 20-10-103, 20-10-143, or 20-10-145;

(r) for districts that do not employ a district superintendent or principal, recommend library book and textbook selections in accordance with the provisions of 20-7-204 or 20-7-602;

(s) notify the superintendent of public instruction of a textbook dealer's activities when required under the provisions of 20-7-605 and otherwise comply with the textbook dealer provisions of this title;

(t) act on district requests to allocate federal money for indigent children for school food services in accordance with the provisions of 20-10-205;

(u) perform any other duty prescribed from time to time by this title, any other act of the legislature, the policies of the board of public education, the policies of the board of regents relating to community college districts, or the rules of the superintendent of public instruction;

(v) administer the oath of office to trustees without the receipt of pay for administering the oath;

(w) keep a record of official acts, preserve all reports submitted to the superintendent under the provisions of this title, preserve all books and instructional equipment or supplies, keep all documents applicable to the administration of the office, and surrender all records, books, supplies, and equipment to the next superintendent;

(x) within 90 days after the close of the school fiscal year, publish an annual report in the county newspaper stating the following financial information for the school fiscal year just ended for each district of the county:

(i) the total of the cash balances of all funds maintained by the district at the beginning of the year;

(ii) the total receipts that were realized in each fund maintained by the district;

(iii) the total expenditures that were made from each fund maintained by the district; and

(iv) the total of the cash balances of all funds maintained by the district at the end of the school fiscal year; and

(y) hold meetings for the members of the trustees from time to time at which matters for the good of the districts must be discussed.

(2) (a) When a district in one county annexes a district in another county, the county superintendent of the county where the annexing district is located shall perform the duties required by this section.

(b) When two or more districts in more than one county consolidate, the duties required by this section must be performed by the county superintendent designated in the same manner as other county officials in 20-9-202."

Section 11. Section 20-7-117, MCA, is amended to read:

"20-7-117. Five-year-old schooling and preschool programs. (1) The trustees of an elementary district ~~shall~~ *shall* establish or make available a *kindergarten* program capable of accommodating, at a minimum, all the children in the district who will be 5 years old on or before September 10 of the school year for which the program is to be conducted or who have been enrolled by special permission of the board of trustees. The *kindergarten* program, *which the trustees may designate as either a half-time or full-time program,* must be an integral part of the elementary school and must be financed and governed accordingly, provided that to be eligible for inclusion in the calculation of ANB pursuant to 20-9-311, a child must have reached ~~the age of~~ 5 *years of age* on or before September 10 of the school year covered by the calculation or have been enrolled by special permission of the board of trustees. *A kindergarten program must meet the minimum aggregate hour requirements established in 20-1-301. A kindergarten program that is designated as a full-time program must allow a parent, guardian, or other person who is responsible for the enrollment of a child in school, as provided in 20-5-102, to enroll the child half-time.*

(2) The trustees of an elementary school district may establish and operate a free preschool program for children between the ages of 3 and 5 years. When preschool programs are established, they must be an integral part of the elementary school and must be governed accordingly. Financing of preschool programs may not be supported by money available from state equalization aid."

Section 12. Section 20-9-306, MCA, is amended to read:

"20-9-306. Definitions. As used in this title, unless the context clearly indicates otherwise, the following definitions apply:

(1) "BASE" means base amount for school equity.

(2) "BASE aid" means:

(a) direct state aid for 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement for the general fund budget of a district;

(b) guaranteed tax base aid for an eligible district for any amount up to 35.3% of the basic entitlement, up to 35.3% of the total per-ANB entitlement budgeted in the general fund budget of a district, and 40% of the special education allowable cost payment;

(c) the total quality educator payment;

(d) the total at-risk student payment;

(e) the total Indian education for all payment; and

(f) the total American Indian achievement gap payment.

(3) "BASE budget" means the minimum general fund budget of a district, which includes 80% of the basic entitlement, 80% of the total per-ANB entitlement, 100% of the total quality educator payment, 100% of the total at-risk student payment, 100% of the total Indian education for all payment, 100% of the total American Indian achievement gap payment, and 140% of the special education allowable cost payment.

(4) "BASE budget levy" means the district levy in support of the BASE budget of a district, which may be supplemented by guaranteed tax base aid if the district is eligible under the provisions of 20-9-366 through 20-9-369.

(5) "BASE funding program" means the state program for the equitable distribution of the state's share of the cost of Montana's basic system of public elementary schools and high schools, through county equalization aid as provided in 20-9-331 and 20-9-333 and state equalization aid as provided in 20-9-343, in support of the BASE budgets of districts and special education allowable cost payments as provided in 20-9-321.

(6) "Basic entitlement" means:

(a) ~~$230,199~~ for each high school district:

(i) $236,552 for fiscal year 2008; and

(ii) $243,649 for each succeeding fiscal year;

(b) ~~$20,718~~ for each elementary school district or K-12 district elementary program without an approved and accredited junior high school, *7th and 8th grade program,* or middle school:

(i) $21,290 for fiscal year 2008;

(ii) $21,922 for each succeeding fiscal year; and

(c) ~~the prorated entitlement~~ for each elementary school district or K-12 district elementary program with an approved and accredited junior high school, *7th and 8th grade program,* or middle school~~, calculated as follows using either the current year ANB or the 3-year ANB provided for in 20-9-311~~:

(i) ~~$20,718 times the ratio of the ANB~~ for kindergarten through grade 6 ~~to the total ANB of kindergarten through grade 8~~ *elementary program:*

(A) $21,290 for fiscal year 2008; and

(B) $21,922 for each succeeding fiscal year; plus

(ii) ~~$230,199 times the ratio of the ANB for grades 7 and 8 to the total ANB of kindergarten through grade 8~~ *for an approved and accredited junior high school program, 7th and 8th grade program, or middle school:*

(A) $60,275 for fiscal year 2008; and

(B) $62,083 for each succeeding fiscal year.

(7) "Budget unit" means the unit for which the ANB of a district is calculated separately pursuant to 20-9-311.

(8) "Direct state aid" means 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement for the general fund budget of a district and funded with state and county equalization aid.

(9) "Maximum general fund budget" means a district's general fund budget amount calculated from the basic entitlement for the district, the total per-ANB entitlement for the district, the total quality educator payment, the total at-risk student payment, the total Indian education for all payment, the total American Indian achievement gap payment, and the greater of:

(a) 175% of special education allowable cost payments; or

(b) the ratio, expressed as a percentage, of the district's special education allowable cost expenditures to the district's special education allowable cost payment for the fiscal year that is 2 years previous, with a maximum allowable ratio of 200%.

(10) "Over-BASE budget levy" means the district levy in support of any general fund amount budgeted that is above the BASE budget and below the maximum general fund budget for a district.

(11) "Total American Indian achievement gap payment" means the payment resulting from multiplying $200 times the number of American Indian students enrolled in the district as provided in 20-9-330.

(12) "Total at-risk student payment" means the payment resulting from the distribution of any funds appropriated for the purposes of 20-9-328.

(13) "Total Indian education for all payment" means the payment resulting from multiplying $20.40 times the ANB of the district or $100 for each district, whichever is greater, as provided for in 20-9-329.

(14) "Total per-ANB entitlement" means the district entitlement resulting from the following calculations and using either the current year ANB or the 3-year ANB provided for in 20-9-311:

(a) for a high school district or a K-12 district high school program, a maximum rate of ~~$5,704~~ *$5,861 for fiscal year 2008 and $6,037 for each succeeding fiscal year* for the first ANB, ~~is~~ decreased at the rate of 50 cents per ANB for each additional ANB of the district up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB;

(b) for an elementary school district or a K-12 district elementary program without an approved and accredited junior high school, *7th and 8th grade program,* or middle school, a maximum rate of ~~$4,456~~ *$4,579 for fiscal year 2008 and $4,716 for each succeeding fiscal year* for the first ANB, ~~is~~ decreased at the rate of 20 cents per ANB for each additional ANB of the district up through 1,000 ANB, with each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

(c) for an elementary school district or a K-12 district elementary program with an approved and accredited junior high school, *7th and 8th grade program,* or middle school, the sum of:

(i) a maximum rate of ~~$4,456~~ *$4,579 for fiscal year 2008 and $4,716 for each succeeding fiscal year* for the first ANB for kindergarten through grade 6, ~~is~~ decreased at the rate of 20 cents per ANB for each additional ANB up through 1,000 ANB, with each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

(ii) a maximum rate of ~~$5,704~~ *$5,861 for fiscal year 2008 and $6,037 for each succeeding fiscal year* for the first ANB for grades 7 and 8, ~~is~~ decreased at the rate of 50 cents per ANB for each additional ANB for grades 7 and 8 up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB.

(15) "Total quality educator payment" means the payment resulting from multiplying ~~$2,000~~ *$3,036 for fiscal year 2008 and $3,042 for each succeeding fiscal year* times the number of full-time equivalent educators as provided in 20-9-327."

Section 13. Section 20-9-311, MCA, is amended to read:

"20-9-311. (Temporary) Calculation of average number belonging (ANB) — three-year averaging. (1) Average number belonging (ANB) must be computed for each budget unit as follows:

(a) compute an average enrollment by adding a count of regularly enrolled full-time pupils who were enrolled as of the first Monday in October of the prior school fiscal year to a count of regularly enrolled pupils on February 1 of the prior school fiscal year, or the next school day if those dates do not fall on a school day, and divide the sum by two; and

(b) multiply the average enrollment calculated in subsection (1)(a) by the sum of 180 and the approved pupil-instruction-related days for the current school fiscal year and divide by 180.

(2) For the purpose of calculating ANB under subsection (1), up to 7 approved pupil-instruction-related days may be included in the calculation.

(3) When a school district has approval to operate less than the minimum aggregate hours under 20-9-806, the total ANB must be calculated in accordance with the provisions of 20-9-805.

(4) (a) ~~Except as provided in subsection (5), for~~ *For* the purpose of calculating ANB, enrollment in an education program:

(i) from ~~181~~ *180* to 359 aggregate hours of pupil instruction per school year is counted as one-quarter-time enrollment;

(ii) from 360 to 539 aggregate hours of pupil instruction per school year is counted as half-time enrollment;

(iii) from 540 to 719 aggregate hours of pupil instruction per school year is counted as three-quarter-time enrollment; and

(iv) 720 or more aggregate hours of pupil instruction per school year is counted as full-time enrollment.

(b) Enrollment in a program intended to provide fewer than 180 aggregate hours of pupil instruction per school year may not be included for purposes of ANB.

(c) Enrollment in a self-paced program or course may be converted to an hourly equivalent based on the hours necessary and appropriate to provide the course within a regular classroom schedule.

(d) A pupil in ~~grades 1~~ *kindergarten* through *grade* 12 who is concurrently enrolled in more than one public school, program, or district may not be counted as more than one full-time pupil for ANB purposes.

(5) ~~In calculating the ANB for pupils enrolled in a program established under 20-7-117(1), enrollment in a program that provides 360 or more aggregate hours of pupil instruction per school year must be counted as one-half pupil for ANB purposes.~~ *For a district that is transitioning from a half-time to a full-time kindergarten program, the state superintendent shall count kindergarten enrollment in the previous year as full-time enrollment for the purpose of calculating ANB for the elementary programs offering full-time kindergarten in the current year. For the purposes of calculating the 3-year ANB, the superintendent of public instruction shall count the kindergarten enrollment as one-half enrollment and then add the additional kindergarten ANB to the 3-year average ANB for districts offering full-time kindergarten.*

(6) When a pupil has been absent, with or without excuse, for more than 10 consecutive school days, the pupil may not be included in the enrollment count used in the calculation of the ANB unless the pupil resumes attendance prior to the day of the enrollment count.

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(7) The enrollment of ~~prekindergarten~~ *preschool* pupils, as provided in 20-7-117, may not be included in the ANB calculations.

(8) The average number belonging of the regularly enrolled, full-time pupils for the public schools of a district must be based on the aggregate of all the regularly enrolled, full-time pupils attending the schools of the district, except that the ANB is calculated as a separate budget unit when:

(a) (i) a school of the district is located more than 20 miles beyond the incorporated limits of a city or town located in the district and at least 20 miles from any other school of the district, the number of regularly enrolled, full-time pupils of the school must be calculated as a separate budget unit for ANB purposes and the district must receive a basic entitlement for the school calculated separately from the other schools of the district;

(ii) a school of the district is located more than 20 miles from any other school of the district and incorporated territory is not involved in the district, the number of regularly enrolled, full-time pupils of the school must be calculated separately for ANB purposes and the district must receive a basic entitlement for the school calculated separately from the other schools of the district;

(iii) the superintendent of public instruction approves an application not to aggregate when conditions exist affecting transportation, such as poor roads, mountains, rivers, or other obstacles to travel, or when any other condition exists that would result in an unusual hardship to the pupils of the school if they were transported to another school, the number of regularly enrolled, full-time pupils of the school must be calculated separately for ANB purposes and the district must receive a basic entitlement for the school calculated separately from the other schools of the district; or

(iv) two or more districts consolidate or annex under the provisions of 20-6-422 or 20-6-423, the ANB and the basic entitlements of the component districts must be calculated separately for a period of 3 years following the consolidation or annexation. Each district shall retain a percentage of its basic entitlement for 3 additional years as follows:

(A) 75% of the basic entitlement for the fourth year;

(B) 50% of the basic entitlement for the fifth year; and

(C) 25% of the basic entitlement for the sixth year.

(b) a junior high school has been approved and accredited as a junior high school, all of the regularly enrolled, full-time pupils of the junior high school must be considered as high school district pupils for ANB purposes;

(c) a middle school has been approved and accredited, all pupils below the 7th grade must be considered elementary school pupils for ANB purposes and the 7th and 8th grade pupils must be considered high school pupils for ANB purposes; or

(d) a school has not been accredited by the board of public education, the regularly enrolled, full-time pupils attending the nonaccredited school are not eligible for average number belonging calculation purposes, nor will an average number belonging for the nonaccredited school be used in determining the BASE funding program for the district.

(9) The district shall provide the superintendent of public instruction with semiannual reports of school attendance, absence, and enrollment for regularly enrolled students, using a format determined by the superintendent.

(10) (a) Except as provided in subsections (10)(b) and (10)(c), enrollment in a basic education program provided by the district through any combination of onsite or offsite instruction may be included for ANB purposes only if the pupil is offered access to the complete range of educational services for the basic education program required by the accreditation standards adopted by the board of public education.

(b) Access to school programs and services for a student placed by the trustees in a private program for special education may be limited to the programs and services specified in an approved individual education plan supervised by the district.

(c) Access to school programs and services for a student who is incarcerated in a facility, other than a youth detention center, may be limited to the programs and services provided by the district at district expense under an agreement with the incarcerating facility.

(d) This subsection (10) may not be construed to require a school district to offer access to activities governed by an organization having jurisdiction over interscholastic activities, contests, and tournaments to a pupil who is not otherwise eligible under the rules of the organization.

(11) A district may include only, for ANB purposes, an enrolled pupil who is otherwise eligible under this title and who is:

(a) a resident of the district or a nonresident student admitted by trustees under a student attendance agreement and who is attending a school of the district;

(b) unable to attend school due to a medical reason certified by a medical doctor and receiving individualized educational services supervised by the district, at district expense, at a home or facility that does not offer an educational program;

(c) unable to attend school due to the student's incarceration in a facility, other than a youth detention center, and who is receiving individualized educational services supervised by the district, at district expense, at a home or facility that does not offer an educational program;

(d) receiving special education and related services, other than day treatment, under a placement by the trustees at a private nonsectarian school or private program if the pupil's services are provided at the district's expense under an approved individual education plan supervised by the district;

(e) participating in the running start program at district expense under 20-9-706;

(f) receiving educational services, provided by the district, using appropriately licensed district staff at a private residential program or private residential facility licensed by the department of public health and human services;

(g) enrolled in an educational program or course provided at district expense using electronic or offsite delivery methods, including but not limited to tutoring, distance learning programs, online programs, and technology delivered learning programs, while attending a school of the district or any other nonsectarian offsite instructional setting with the approval of the trustees of the district. The pupil shall:

(i) meet the residency requirements for that district as provided in 1-1-215;

(ii) live in the district and must be eligible for educational services under the Individuals With Disabilities Education Act or under 29 U.S.C. 794; or

(iii) attend school in the district under a mandatory attendance agreement as provided in 20-5-321.

(h) a resident of the district attending a Montana job corps program under an interlocal agreement with the district under 20-9-707.

(12) (a) For an elementary or high school district that has been in existence for 3 years or more, the district's maximum general fund budget and BASE budget for the ensuing school fiscal year must be calculated using the current year ANB for all budget units or the 3-year average ANB for all budget units, whichever generates the greatest maximum general fund budget.

(b) For a K-12 district that has been in existence for 3 years or more, the district's maximum general fund budget and BASE budget for the ensuing school fiscal year must be calculated separately for the elementary and high school programs pursuant to subsection (12)(a) and then combined.

(13) The term "3-year ANB" means an average ANB over the most recent 3-year period, calculated by:

(a) adding the ANB for the budget unit for the ensuing school fiscal year to the ANB for each of the previous 2 school fiscal years; and

(b) dividing the sum calculated under subsection (13)(a) by three. (Terminates June 30, 2007—sec. 25(2), Ch. 462, L. 2005.)

20-9-311. (Effective July 1, 2007) Calculation of average number belonging (ANB) — three-year averaging. (1) Average number belonging (ANB) must be computed *for each budget unit* as follows:

(a) compute an average enrollment by adding a count of regularly enrolled full-time pupils who were enrolled as of the first Monday in October of the prior school fiscal year to a count of regularly enrolled pupils on February 1 of the prior school fiscal year, or the next school day if those dates do not fall on a school day, and divide the sum by two; and

(b) multiply the average enrollment calculated in subsection (1)(a) by the sum of 180 and the approved pupil-instruction-related days for the current school fiscal year and divide by 180.

(2) For the purpose of calculating ANB under subsection (1), up to 7 approved pupil-instruction-related days may be included in the calculation.

(3) When a school district has approval to operate less than the minimum aggregate hours under 20-9-806, the total ANB must be calculated in accordance with the provisions of 20-9-805.

(4) (a) ~~Except as provided in subsection (5), for~~ *For* the purpose of calculating ANB, enrollment in an education program:

(i) from ~~181~~ *180* to 359 aggregate hours of pupil instruction per school year is counted as one-quarter-time enrollment;

(ii) from 360 to 539 aggregate hours of pupil instruction per school year is counted as half-time enrollment;

(iii) from 540 to 719 aggregate hours of pupil instruction per school year is counted as three-quarter-time enrollment; and

(iv) 720 or more aggregate hours of pupil instruction per school year is counted as full-time enrollment.

(b) Enrollment in a program intended to provide fewer than 180 aggregate hours of pupil instruction per school year may not be included for purposes of ANB.

(c) Enrollment in a self-paced program or course may be converted to an hourly equivalent based on the hours necessary and appropriate to provide the course within a regular classroom schedule.

(d) A pupil in ~~grades 1~~ *kindergarten* through *grade* 12 who is concurrently enrolled in more than one public school, program, or district may not be counted as more than one full-time pupil for ANB purposes.

(5) ~~In calculating the ANB for pupils enrolled in a program established under 20-7-117(1), enrollment in a program that provides 360 or more aggregate hours of pupil instruction per school year must be counted as one-half pupil for ANB purposes.~~ *For a district that is transitioning from a half-time to a full-time kindergarten program, the state superintendent shall count kindergarten enrollment in the previous year as full-time enrollment for the purpose of calculating ANB for the elementary programs offering full-time kindergarten in the current year. For the purposes of calculating the 3-year ANB, the superintendent of public instruction shall count the kindergarten enrollment as one-half enrollment and then add the additional kindergarten ANB to the 3-year average ANB for districts offering full-time kindergarten.*

(6) When a pupil has been absent, with or without excuse, for more than 10 consecutive school days, the pupil may not be included in the enrollment count used in the calculation of the ANB unless the pupil resumes attendance prior to the day of the enrollment count.

(7) The enrollment of ~~prekindergarten~~ *preschool* pupils, as provided in 20-7-117, may not be included in the ANB calculations.

(8) The average number belonging of the regularly enrolled, full-time pupils for the public schools of a district must be based on the aggregate of all the regularly enrolled, full-time pupils attending the schools of the district, except that *the ANB is calculated as a separate budget unit* when:

(a) (i) a school of the district is located more than 20 miles beyond the incorporated limits of a city or town located in the district and at least 20 miles from any other school of the district, the number of regularly enrolled, full-time pupils of the school must be calculated ~~separately~~ *as a separate budget unit* for ANB purposes and the district must receive a basic entitlement for the school calculated separately from the other schools of the district;

(ii) a school of the district is located more than 20 miles from any other school of the district and incorporated territory is not involved in the district, the number of regularly enrolled, full-time pupils of the school must be calculated separately for ANB purposes and the district must receive a basic entitlement for the school calculated separately from the other schools of the district;

(iii) the superintendent of public instruction approves an application not to aggregate when conditions exist affecting transportation, such as poor roads, mountains, rivers, or other obstacles to travel, or when any other condition exists that would result in an unusual hardship to the pupils of the school if they were transported to another school, the number of regularly enrolled, full-time pupils of the school must be calculated separately for ANB purposes and the district must receive a basic entitlement for the school calculated separately from the other schools of the district; or

(iv) two or more districts consolidate or annex under the provisions of 20-6-422 or 20-6-423, the ANB and the basic entitlements of the component districts must be calculated separately for a period of 3 years following the consolidation or annexation. Each district shall retain a percentage of its basic entitlement for 3 additional years as follows:

(A) 75% of the basic entitlement for the fourth year;

(B) 50% of the basic entitlement for the fifth year; and

(C) 25% of the basic entitlement for the sixth year.

(b) a junior high school has been approved and accredited as a junior high school, all of the regularly enrolled, full-time pupils of the junior high school must be considered as high school district pupils for ANB purposes;

(c) a middle school has been approved and accredited, all pupils below the 7th grade must be considered elementary school pupils for ANB purposes and the 7th and 8th grade pupils must be considered high school pupils for ANB purposes; or

(d) a school has not been accredited by the board of public education, the regularly enrolled, full-time pupils attending the nonaccredited school are not eligible for average number belonging calculation purposes, nor will an average number belonging for the nonaccredited school be used in determining the BASE funding program for the district.

(9) The district shall provide the superintendent of public instruction with semiannual reports of school attendance, absence, and enrollment for regularly enrolled students, using a format determined by the superintendent.

(10) (a) Except as provided in subsections (10)(b) and (10)(c), enrollment in a basic education program provided by the district through any combination of onsite or offsite instruction may be included for ANB purposes only if the pupil is offered access to the complete range of educational services for the basic education program required by the accreditation standards adopted by the board of public education.

(b) Access to school programs and services for a student placed by the trustees in a private program for special education may be limited to the programs and services specified in an approved individual education plan supervised by the district.

(c) Access to school programs and services for a student who is incarcerated in a facility, other than a youth detention center, may be limited to the programs and services provided by the district at district expense under an agreement with the incarcerating facility.

(d) This subsection (10) may not be construed to require a school district to offer access to activities governed by an organization having jurisdiction over interscholastic activities, contests, and tournaments to a pupil who is not otherwise eligible under the rules of the organization.

(11) A district may include only, for ANB purposes, an enrolled pupil who is otherwise eligible under this title and who is:

(a) a resident of the district or a nonresident student admitted by trustees under a student attendance agreement and who is attending a school of the district;

(b) unable to attend school due to a medical reason certified by a medical doctor and receiving individualized educational services supervised by the

district, at district expense, at a home or facility that does not offer an educational program;

(c) unable to attend school due to the student's incarceration in a facility, other than a youth detention center, and who is receiving individualized educational services supervised by the district, at district expense, at a home or facility that does not offer an educational program;

(d) receiving special education and related services, other than day treatment, under a placement by the trustees at a private nonsectarian school or private program if the pupil's services are provided at the district's expense under an approved individual education plan supervised by the district;

(e) participating in the running start program at district expense under 20-9-706;

(f) receiving educational services, provided by the district, using appropriately licensed district staff at a private residential program or private residential facility licensed by the department of public health and human services;

(g) enrolled in an educational program or course provided at district expense using electronic or offsite delivery methods, including but not limited to tutoring, distance learning programs, online programs, and technology delivered learning programs, while attending a school of the district or any other nonsectarian offsite instructional setting with the approval of the trustees of the district. The pupil shall:

(i) meet the residency requirements for that district as provided in 1-1-215;

(ii) live in the district and must be eligible for educational services under the Individuals With Disabilities Education Act or under 29 U.S.C. 794; or

(iii) attend school in the district under a mandatory attendance agreement as provided in 20-5-321.

(h) a resident of the district attending a Montana job corps program under an interlocal agreement with the district under 20-9-707.

(12) (a) For an elementary or high school district that has been in existence for 3 years or more, the district's maximum general fund budget and BASE budget for the ensuing school fiscal year must be calculated using the current year ANB for all budget units or the 3-year average ANB for all budget units, whichever generates the greatest maximum general fund budget.

(b) For a K-12 district that has been in existence for 3 years or more, the district's maximum general fund budget and BASE budget for the ensuing school fiscal year must be calculated separately for the elementary and high school programs pursuant to subsection (12)(a) and then combined.

(13) The term "3-year ANB" means an average ANB over the most recent 3-year period, calculated by:

(a) adding the ANB for the budget unit for the ensuing school fiscal year to the ANB for each of the previous 2 school fiscal years; and

(b) dividing the sum calculated under subsection (13)(a) by three."

Section 14. Section 20-9-313, MCA, is amended to read:

"20-9-313. Circumstances under which regular average number belonging may be increased. *(1)* The average number belonging of a school,

calculated in accordance with the ANB formula prescribed in 20-9-311, may be increased when:

~~(1)~~*(a)* the opening of a new elementary school or the reopening of an elementary school has been approved in accordance with 20-6-502. The average number belonging for the school must be established by the county superintendent and approved, disapproved, or adjusted by the superintendent of public instruction.

~~(2)~~*(b)* the opening or reopening of a high school or a branch of the county high school has been approved in accordance with 20-6-503, 20-6-504, or 20-6-505. The average number belonging for the high school must be established by the county superintendent's estimate, after an investigation of the probable number of pupils that will attend the high school.

~~(3)~~*(c)* a district anticipates an increase in the average number belonging due to the closing of a private or public school in the district or a neighboring district. The estimated increase in average number belonging must be established by the trustees and the county superintendent and approved, disapproved, or adjusted by the superintendent of public instruction no later than the fourth Monday in June.

~~(4)~~*(d)* a district anticipates an unusual enrollment increase in the ensuing school fiscal year. The increase in average number belonging must be based on estimates of increased enrollment approved by the superintendent of public instruction and must be computed in the manner prescribed by 20-9-314.

~~(5)~~*(e)* for the initial year of operation of a *kindergarten* program established under 20-7-117(1), the ANB to be used for budget purposes is ~~the same as~~*:*

(i) one-half the number of 5-year-old children residing in the district as of September 10 of the preceding school year, either as shown on the official school census or as determined by some other procedure approved by the superintendent of public instruction, *for the purpose implementing a half-time kindergarten program as provided in 20-1-301*; or

(ii) the number of 5-year-old children residing in the district as of September 10 of the preceding school year, either as shown on the official school census or as determined by some other procedure approved by the superintendent of public instruction, for the purpose of implementing a full-time kindergarten program as provided in 20-1-301; or

~~(6)~~*(f)* a high school district provides early graduation for a student who completes graduation requirements in less than eight semesters or the equivalent amount of secondary school enrollment. The increase must be established by the trustees as though the student had attended to the end of the school fiscal year and must be approved, disapproved, or adjusted by the superintendent of public instruction.

(2) This section does not apply to the expansion of a half-time kindergarten program to a full-time kindergarten program."

Section 15. Section 20-9-314, MCA, is amended to read:

"**20-9-314. (Temporary) Procedures for determining eligibility and amount of increased average number belonging due to unusual enrollment increase.** A district that anticipates an unusual increase in enrollment in the ensuing school fiscal year, as provided for in ~~20-9-313(4)~~ *20-9-313(1)(d)*, may increase its basic entitlement and total per-ANB

entitlement for the ensuing school fiscal year in accordance with the following provisions:

(1) Prior to June 1, the district shall estimate the elementary or high school enrollment to be realized during the ensuing school fiscal year, based on as much factual information as may be available to the district.

(2) No later than June 1, the district shall submit its application for an unusual enrollment increase by elementary or high school level to the superintendent of public instruction. The application must include:

(a) the enrollment for the current school fiscal year;

(b) the average number belonging used to calculate the basic entitlement and total per-ANB entitlement for the current school fiscal year;

(c) the average number belonging that will be used to calculate the basic entitlement and total per-ANB entitlement for the ensuing school fiscal year;

(d) the estimated enrollment, including the factual information on which the estimate is based, as provided in subsection (1); and

(e) any other information or data that may be requested by the superintendent of public instruction.

(3) The superintendent of public instruction shall immediately review all the factors of the application and shall approve or disapprove the application or adjust the estimated average number belonging for the ensuing ANB calculation period. After approving an estimate, with or without adjustment, the superintendent of public instruction shall:

(a) determine the percentage by which the estimated enrollment exceeds the enrollment used for the budgeted ANB; and

(b) approve an increase of the average number belonging used to establish the ensuing year's basic entitlement and total per-ANB entitlement in accordance with subsection (5) if the increase in subsection (3)(a) is greater than 6%.

(4) The superintendent of public instruction shall notify the district of the decision by the fourth Monday in June.

(5) Whenever an unusual enrollment increase is approved by the superintendent of public instruction, the increase of the average number belonging used to establish the basic entitlement and total per-ANB entitlement for the ensuing ANB calculation period is determined using the difference between the enrollment for the ensuing school fiscal year and 106% of the enrollment used to calculate the budgeted ANB. The amount determined is the maximum allowable increase added to the average number belonging for the purpose of establishing the ensuing year's basic entitlement and total per-ANB entitlement.

(6) (a) Any entitlement increases resulting from provisions of this section must be reviewed at the end of the ensuing school fiscal year.

(b) If the actual enrollment is less than the enrollment used to determine budgeted ANB, the superintendent of public instruction shall revise the total per-ANB entitlement and basic entitlement calculations, as provided in subsection (5), using the actual enrollment in place of the estimated enrollment.

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(c) All total per-ANB entitlements received by the district in excess of the revised entitlements are overpayments subject to the refund provisions of 20-9-344(4). (Terminates June 30, 2007—sec. 25(2), Ch. 462, L. 2005.)

20-9-314. (Effective July 1, 2007) Procedures for determining eligibility and amount of increased average number belonging due to unusual enrollment increase. A district that anticipates an unusual increase in enrollment in the ensuing school fiscal year, as provided for in ~~20-9-313(4)~~ *20-9-313(1)(d)*, may increase its basic entitlement and total per-ANB entitlement for the ensuing school fiscal year in accordance with the following provisions:

(1) Prior to June 1, the district shall estimate the elementary or high school enrollment to be realized during the ensuing school fiscal year, based on as much factual information as may be available to the district.

(2) No later than June 1, the district shall submit its application for an unusual enrollment increase by elementary or high school level to the superintendent of public instruction. The application must include:

(a) the enrollment for the current school fiscal year;

(b) the average number belonging used to calculate the basic entitlement and total per-ANB entitlement for the current school fiscal year;

(c) the average number belonging that will be used to calculate the basic entitlement and total per-ANB entitlement for the ensuing school fiscal year;

(d) the estimated enrollment, including the factual information on which the estimate is based, as provided in subsection (1); and

(e) any other information or data that may be requested by the superintendent of public instruction.

(3) The superintendent of public instruction shall immediately review all the factors of the application and shall approve or disapprove the application or adjust the estimated average number belonging for the ensuing ANB calculation period. After approving an estimate, with or without adjustment, the superintendent of public instruction shall:

(a) determine the percentage ~~increase~~ by which the estimated enrollment ~~increase~~ exceeds the ~~current~~ enrollment *used for the budgeted ANB*; and

(b) approve an increase of the average number belonging used to establish the ensuing year's basic entitlement and total per-ANB entitlement in accordance with subsection (5) if the increase in subsection (3)(a) is at least 6%.

(4) The superintendent of public instruction shall notify the district of the decision by the fourth Monday in June.

(5) Whenever an unusual enrollment increase is approved by the superintendent of public instruction, the increase of the average number belonging used to establish the basic entitlement and total per-ANB entitlement for the ensuing ANB calculation period is *determined using* the difference between the enrollment for the ensuing school fiscal year and 106% of the ~~current~~ enrollment *used to calculate the budgeted ANB*. The amount determined is the maximum allowable increase added to the average number belonging for the purpose of establishing the ensuing year's basic entitlement and total per-ANB entitlement.

(6) *(a)* Any entitlement increases resulting from provisions of this section must be reviewed at the end of the ensuing school fiscal year.

(b) If the actual enrollment is less than ~~the average number belonging used for BASE funding program and entitlement calculations~~ *the enrollment used to determine the budgeted ANB*, the superintendent of public instruction shall revise the total per-ANB entitlement and basic entitlement calculations, *as provided in subsection (5),* using the actual ~~average number belonging~~ *enrollment in place of the estimated enrollment.* All total per-ANB entitlements received by the district in excess of the revised entitlements are overpayments subject to the refund provisions of 20-9-344(4)."

Section 16. Section 20-9-327, MCA, is amended to read:

"20-9-327. Quality educator payment. (1) (a) The state shall provide a quality educator payment to:

(i) public school districts, as defined in 20-6-101 and 20-6-701;

(ii) special education cooperatives, as described in 20-7-451;

(iii) the Montana school for the deaf and blind, as described in 20-8-101; and

(iv) state youth correctional facilities, as defined in 41-5-103.

(b) A special education cooperative that has not met the requirements of 20-7-453 and 20-7-454 may not be funded under the provisions of this section except by approval of the superintendent of public instruction.

(2) (a) The quality educator payment for special education cooperatives must be distributed directly to those entities by the superintendent of public instruction.

(b) The quality educator payment for the Montana school for the deaf and blind must be distributed to the Montana school for the deaf and blind.

(c) The quality educator payment for Pine Hills and Riverside youth correctional facilities must be distributed to those facilities by the department of corrections.

(3) The quality educator payment is ~~$2,000 times~~ *calculated as provided in 20-9-306, using* the number of full-time equivalent educators, as reported to the superintendent of public instruction for accreditation purposes in the previous school year, each of whom:

(a) holds a valid certificate under the provisions of 20-4-106 and is employed by an entity listed in subsection (1) in a position that requires an educator license in accordance with the administrative rules adopted by the board of public education; or

(b) (i) is a licensed professional under 37-8-405, 37-8-415, 37-11-301, 37-15-301, *37-17-302, 37-22-301,* 37-23-201, 37-24-301, or 37-25-302; and

(ii) is employed by an entity listed in subsection (1) to provide services to students."

Section 17. Section 20-9-329, MCA, is amended to read:

"20-9-329. Indian education for all payment. (1) The state shall provide an Indian education for all payment to public school districts, as defined in 20-6-101 and 20-6-701, to implement the provisions of Article X, section 1(2), of the Montana constitution and Title 20, chapter 1, part 5.

(2) The Indian education for all payment is ~~the greater of $100 for each district or $20.40 for each ANB,~~ calculated as provided in ~~20-9-311, for each fiscal year~~ *20-9-306 and is a component of the BASE budget of the district.*

(3) The district shall deposit the payment in the general fund of the district.

(4) A public school district that receives an Indian education for all payment may not divert the funds to any purpose other than curriculum development, providing curriculum and materials to students, and providing training to teachers about the curriculum and materials. A public school district shall file an annual report with the office of public instruction, in a form prescribed by the superintendent of public instruction, that specifies how the Indian education for all funds were expended."

Section 18. Section 20-9-330, MCA, is amended to read:

"**20-9-330. American Indian achievement gap payment.** (1) The state shall provide an American Indian achievement gap payment to public school districts, as defined in 20-6-101 and 20-6-701, for the purpose of closing the educational achievement gap that exists between American Indian students and non-Indian students.

(2) (a) The American Indian achievement gap payment is ~~$200 for each~~ *calculated as provided in 20-9-306, using the number of* American Indian ~~student~~ *students* enrolled in the district based on the count of regularly enrolled students on the first Monday in October of the prior school year as reported to the office of public instruction.

(b) A school district may not require a student to disclose the student's race.

(3) The district shall deposit the payment in the general fund of the district.

(4) On or before September 15, 2010, the office of public instruction shall report to the governor and the legislature on the change in status of standardized test scores, graduation rates, and drop-out rates of American Indian students using fiscal year 2006 data as a baseline."

Section 19. Section 20-9-366, MCA, is amended to read:

"**20-9-366. Definitions.** As used in 20-9-366 through 20-9-371, the following definitions apply:

(1) "County retirement mill value per elementary ANB" or "county retirement mill value per high school ANB" means the sum of the taxable valuation in the previous year of all property in the county divided by 1,000, with the quotient divided by the total county elementary ANB count or the total county high school ANB count used to calculate the elementary school districts' and high school districts' current year total per-ANB entitlement amounts.

(2) (a) "District guaranteed tax base ratio" for guaranteed tax base funding for the BASE budget of an eligible district means the taxable valuation in the previous year of all property in the district divided by the sum of the district's current year BASE budget amount less direct state aid and the state special education allowable cost payment.

(b) "District mill value per ANB", for school facility entitlement purposes, means the taxable valuation in the previous year of all property in the district divided by 1,000, with the quotient divided by the ANB count of the district used to calculate the district's current year total per-ANB entitlement amount.

(3) "Facility guaranteed mill value per ANB", for school facility entitlement guaranteed tax base purposes, means the sum of the taxable valuation in the previous year of all property in the state, multiplied by 140% and divided by 1,000, with the quotient divided by the total state elementary ANB count or the total state high school ANB count used to calculate the elementary school

districts' and high school districts' current year total per-ANB entitlement amounts.

(4) (a) "Statewide elementary guaranteed tax base ratio" or "statewide high school guaranteed tax base ratio", for guaranteed tax base funding for the BASE budget of an eligible district, means the sum of the taxable valuation in the previous year of all property in the state, multiplied by ~~175%~~ *193%* and divided by the total sum of either the state elementary school districts' or the high school districts' current year BASE budget amounts less total direct state aid.

(b) "Statewide mill value per elementary ANB" or "statewide mill value per high school ANB", for school retirement guaranteed tax base purposes, means the sum of the taxable valuation in the previous year of all property in the state, multiplied by 121% and divided by 1,000, with the quotient divided by the total state elementary ANB count or the total state high school ANB amount used to calculate the elementary school districts' and high school districts' current year total per-ANB entitlement amounts."

Section 20. Section 20-9-622, MCA, is amended to read:

"20-9-622. Guarantee account. (1) There is a guarantee account in the state special revenue fund. The guarantee account is intended to:

(a) stabilize the long-term growth of the permanent fund; and

(b) maintain a constant and increasing distributable revenue stream. All realized capital gains and all distributable revenue must be deposited in the guarantee account. Except as provided in subsections (2) and (3), the guarantee account is statutorily appropriated, as provided in 17-7-502, for distribution to school districts through school equalization aid as provided in 20-9-343.

(2) As long as a portion of the coal severance tax loan authorized in section 8, Chapter 418, Laws of 2001, is outstanding, the department of natural resources and conservation shall monthly transfer from the guarantee account to the general fund an amount that represents the amount of interest income that would be earned from the investment of the amount of the loan that is currently outstanding. *When the loan is fully paid, all mineral royalties deposited in the guarantee account must be transferred to the school facility improvement account pursuant to 17-6-340.*

(3) The revenue distributed through 20-9-534 must be used for the purposes of 20-9-533."

Section 21. Section 20-26-602, MCA, is amended to read:

"20-26-602. Governor's postsecondary scholarship program — duties of council — duties of board. (1) There is a governor's postsecondary scholarship program administered by the board through the office of the commissioner of higher education with assistance from ~~a three-member~~ *the* council ~~created in 2-15-1524~~.

~~(2) The council shall review the lists and applications submitted in accordance with procedures adopted by the board pursuant to 20-26-611. From those lists and applications, the council shall prepare and submit a final list of qualified scholarship recipients to the board. Following consultation with the council, the board shall pay for scholarships awarded to qualified recipients.~~

~~(3) The board may accept donations from public or private sources and shall distribute these funds to the scholarship program and in accordance with the criteria determined by the board in consultation with the council.~~

~~(4) Funds from public sources may not be used to pay for scholarships to students enrolled in Montana private colleges.~~

~~(5) Funds from private sources must be deposited into an account in the state special revenue fund established in 17-2-102 to be used by the board to pay for scholarships for students enrolled in postsecondary institutions or, when designated by the donor, in Montana private colleges.~~

(2) The purpose of the governor's postsecondary scholarship program is to provide scholarships on the basis of need and merit to Montana residents towards the cost of attendance at 2-year and 4-year postsecondary institutions and to allocate some of the scholarships to specific areas of study that promote economic development or address critical workforce shortage areas in Montana.

(3) The council shall gather information and make recommendations for the board to consider in the board's adoption of policies and procedures under this part. The recommendations must attempt to promote efficient administration of the governor's postsecondary scholarship program.

(4) After consideration of the council's recommendations pursuant to subsection (3), the board shall adopt policies and procedures for administration of the governor's postsecondary scholarship program consistent with this part.

(5) Subject to available funding, scholarships must be awarded on an annual basis to qualified recipients pursuant to policies adopted by the board. The board may delegate to Montana high schools and postsecondary institutions the authority to review scholarship applications and select scholarship recipients."

Section 22. Section 20-26-603, MCA, is amended to read:

"20-26-603. Definitions. As used in this part, the following definitions apply:

(1) "Accredited" means a school that is accredited by the board of public education pursuant to 20-7-102.

~~(2) "At-large student" means a Montana resident who meets the admission requirements established by board policy or by the admissions office of a Montana private college.~~

~~(3)~~*(2)* "Board" means the board of regents of higher education created by Article X, section 9(2), of the Montana constitution.

~~(4) "Certificate program" or "certificate" means a program generally completed in 1 academic year that requires less than 60 credits and that is not a self-supporting, customized training course or the certificate awarded for completion of the program.~~

~~(5)~~*(3)* "Council" means the governor's postsecondary scholarship advisory council created in 2-15-1524.

~~(6)~~*(4)* "Montana private college" means a nonprofit private educational institution as defined in 15-30-163(3)(b).

~~(7) "Nontraditional student" means a first-time student who enters a postsecondary institution or Montana private college more than 3 years after high school graduation. As used in this subsection, "first-time student" means a student who is attending a postsecondary institution to receive a first certificate or associate or baccalaureate degree.~~

~~(8)~~*(5)* "Postsecondary institution" means:

(a) a unit of the Montana university system, as defined in 20-25-201;

(b) a Montana community college, defined and organized as provided in 20-15-101; or

(c) an accredited tribal community college located in the state of Montana.

~~(9)~~*(6)* "Scholarship" means a payment toward ~~tuition and mandatory fees, excluding room and board~~ *the cost of attendance at a qualifying postsecondary institution*, rounded up to the nearest dollar.

~~(10)~~*(7)* "Title IV" refers to Title IV of the Higher Education Act of 1965, as amended."

Section 23. Types and amounts of scholarships — criteria. (1) Scholarships must be awarded under the governor's postsecondary scholarship program in accordance with the requirements of this section and criteria established by board policy and procedures pursuant to 20-26-602 and this section.

(2) Scholarships must be awarded on the basis of merit or need. Scholarships may be for either $1,000 or $2,000. Merit-based and need-based scholarships must be awarded in approximately equal monetary amounts.

(3) A merit-based scholarship must be awarded to at least one graduate of every accredited high school in Montana, including accredited nonpublic high schools.

(4) A portion of the money appropriated for need-based scholarships must be designated for applicants planning to attend 2-year postsecondary institutions or 2-year programs at 4-year postsecondary institutions and who plan to focus on specific areas of study that promote economic development or address current or projected critical workforce shortage areas in Montana, such as technology, health sciences, or trades, as provided under policies established by the board pursuant to 20-26-602.

Section 24. Eligibility requirements — renewals — limited appeals. (1) Scholarships must be awarded under the governor's postsecondary scholarship program in accordance with the eligibility requirements of this section and pursuant to policies and procedures established by the board pursuant to 20-26-602 and this section.

(2) To be eligible to receive a scholarship, a student must be a Montana resident eligible for in-state tuition as determined by board policy.

(3) To be eligible to receive a merit-based scholarship, a student must have attained a minimum grade point average or numerical score on a standardized college admission test as prescribed by board policy.

(4) To be eligible to receive a need-based scholarship, a student must complete the standard free application for federal student aid form and the student's expected family contributions may not exceed the cost of attendance at the postsecondary institution that the student expects to attend.

(5) Scholarships must be awarded to students seeking their first certificate or their 2-year or 4-year degree at a postsecondary institution.

(6) Scholarships may be renewed in accordance with board policy. The policy must include proof of satisfactory academic performance.

(7) Scholarships may be terminated in accordance with board policy.

(8) The board shall establish policies and procedures:

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(a) to allow a student to transfer from one postsecondary institution to another without loss of the scholarship; and

(b) to ensure compliance with [section 25(3)] if a student transfers from a postsecondary institution to a Montana private college.

(9) A scholarship recipient's right to receive other financial aid, awards, and scholarships may be limited as required by federal or state law or board policy.

(10) A student is ineligible to receive a scholarship under the provisions of this part if the student:

(a) has been awarded a Montana university system honor scholarship;

(b) has failed to meet the federal Title IV selective service registration requirements;

(c) is in default on a Title IV or state of Montana educational loan or owes a refund to a federal Title IV or state of Montana student financial aid program; or

(d) is incarcerated. Upon release, the student may begin receiving scholarship payments if the student meets all other eligibility requirements. If approved by the board, credits earned during incarceration may be counted toward eligibility.

(11) (a) Except as provided in subsection (11)(b), scholarship awards are not subject to appeal.

(b) A student may appeal the termination of a scholarship based on extenuating circumstances in accordance with board policy.

Section 25. Public and private sources of funding — restrictions on use — accounting. (1) The board may accept donations from public or private sources and shall distribute those funds in accordance with this part.

(2) Except when a donor of private funds designates that scholarship funds must be given to students attending a private college, scholarship awards are determined solely by the board or an entity designated by the board pursuant to board policy adopted under 20-26-602.

(3) Funds from public sources may not be used to pay for scholarships for students enrolled in Montana private colleges.

(4) Funds from private sources must be deposited into an account in the state special revenue fund established in 17-2-102 to pay for scholarships for students enrolled in postsecondary institutions or, when designated by the donor, in Montana private colleges.

(5) Each postsecondary institution or Montana private college that receives scholarship payments shall prepare and submit to the board, in accordance with procedures and policies established by the board, a report of the postsecondary institution's or Montana private college's administration of the scholarships and a complete accounting of scholarship funds.

(6) Funds from a scholarship may not be used to pay for remedial or college-preparatory course work.

(7) Except for funds donated from private sources, the obligation for funding the governor's postsecondary scholarship program is an obligation of the state. This section may not be construed to require the board to provide scholarships to an eligible student without an appropriation to the board for the purposes of this part. Funds from private sources may not be used as an offset to general fund appropriations.

Section 26. Capital investment and deferred maintenance one-time-only payment — definition — funding. (1) For fiscal year 2008, there is a one-time-only school unit payment to each school district based upon the calculated number of school units within the school district as provided in subsection (3). The one-time-only school unit payment may be used by schools for capital investments and deferred maintenance.

(2) (a) For the purposes of this section, "school unit" means, subject to subsection (2)(b):

(i) 800 ANB for a high school district;

(ii) 250 ANB for the K-6 ANB of an elementary district with an approved junior high school, 7th and 8th grade program, or middle school;

(iii) 250 ANB for the K-8 ANB of an elementary district without an approved junior high school, 7th and 8th grade program, or middle school; and

(iv) 450 for the 7th and 8th grade ANB of an elementary district with an approved junior high school, 7th and 8th grade program, or middle school.

(b) Each school district must receive a payment for at least one school unit. A district with ANB greater than the applicable number described in subsection (2)(a) must receive an additional unit calculated by dividing the current year ANB by the appropriate number in subsection (2)(a) and rounding that number up to the nearest tenth.

(3) The capital investment and deferred maintenance one-time-only school unit payment is calculated by dividing the one-time-only appropriation for capital investment and deferred maintenance as provided in House Bill No. 2, not to exceed $30 million, by the number of school units in the state. The office of public instruction shall distribute the calculated total one-time-only school unit payment to each school district based upon the number of school units in each school district according to the schedule provided in 20-9-344. School districts must deposit the money in the miscellaneous programs fund to be used for capital investment and deferred maintenance. Money may be retained by the district and spent for the purposes authorized in this section over a period of 10 years, after which, if the money is not spent, it must be reverted to the state general fund.

Section 27. Distribution of funds for kindergarten. Money appropriated to the office of public instruction for startup costs for full-time kindergarten in the 2009 biennium must be distributed based on the kindergarten enrollment in school fiscal year 2007 to all school districts that the trustees of which have designated, prior to July 1, 2012, will offer a full-time kindergarten program in accordance with 20-7-117. The school district shall deposit the money in the miscellaneous programs fund and shall use the money for startup costs associated with the development of a full-time kindergarten program. Money remaining with the office of public instruction on July 1, 2012, for school districts that have not indicated their intent to participate in the full-time kindergarten program must be reverted to the state general fund.

Section 28. Distribution of one-time-only money for Indian education for all. Money appropriated from the general fund as one-time-only money in the 2009 biennium to the office of public instruction for Indian education for all must be allocated to districts on a per-ANB basis, calculated as provided in 20-9-311, with a minimum of $500 for each district. A district receiving funds under this section shall deposit the money in the miscellaneous programs fund and may not transfer the money to another fund.

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Section 29. Repealer. Sections 20-26-611, 20-26-612, and 20-26-613, MCA, are repealed.

Section 30. Codification instruction. (1) [Sections 1 through 6] are intended to be codified as an integral part of Title 20, chapter 4, and the provisions of Title 20, chapter 4, apply to [sections 1 through 6].

(2) [Section 8] is intended to be codified as an integral part of Title 20, chapter 9, and the provisions of Title 20, chapter 9, apply to [section 8].

(3) [Sections 23 through 25] are intended to be codified as an integral part of Title 20, chapter 26, part 6, and the provisions of Title 20, chapter 26, part 6, apply to [sections 23 through 25].

Section 31. Effective date. [This act] is effective July 1, 2007.

Section 32. Applicability. [This act] applies to school district budgets for fiscal years beginning on or after July 1, 2007.

Approved May 17, 2007

CHAPTER NO. 2

[HB 3]

AN ACT PROVIDING PROPERTY TAX INCENTIVES FOR NEW INVESTMENT IN THE CONVERSION, TRANSPORT, MANUFACTURING RELATED TO, AND RESEARCH AND DEVELOPMENT OF RENEWABLE ENERGY, NEW TECHNOLOGY ENERGY, AND CLEAN COAL ENERGY AND CARBON DIOXIDE EQUIPMENT AND FACILITIES; PROVIDING PROPERTY TAX ABATEMENTS FOR CERTAIN RENEWABLE ENERGY, NEW TECHNOLOGY ENERGY, AND CLEAN COAL ENERGY-RELATED PROPERTY; ALLOWING A PROPERTY TAX EXEMPTION, UNDER CERTAIN CONDITIONS, FOR LAND ADJACENT TO TRANSMISSION LINES; CREATING A NEW CLASS OF PROPERTY TAXES FOR CERTAIN PIPELINES AND CARBON DIOXIDE EQUIPMENT AND FACILITIES; CREATING A NEW CLASS OF PROPERTY FOR CERTAIN DIRECT-CURRENT CONVERTER STATION PROPERTY; REVISING CLASS FOURTEEN PROPERTY TO INCLUDE TAXATION OF CERTAIN RENEWABLE ENERGY, NEW TECHNOLOGY ENERGY, CLEAN COAL ENERGY FACILITIES, CARBON CAPTURE EQUIPMENT, AND TRANSMISSION LINES; AMENDING SECTIONS 15-6-141 AND 15-6-157, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

Be it enacted by the Legislature of the State of Montana:

Section 1. Short title. [This act] may be cited as the "Jobs and Energy Development Incentives Act".

Section 2. Policy. It is the policy of the state of Montana that the tax classifications, rates, abatements, and exemptions in [sections 2 through 8] and amendments made by [this act in 15-6-141 and 15-6-157] are to be strictly limited to new investments that qualify under the standards established in [sections 2 through 8] and amendments made by [this act in 15-6-141 and 15-6-157]. The provisions of [sections 2 through 8] and amendments made by [this act in 15-6-141 and 15-6-157] do not apply to any previously existing properties or to any new investments or property that does not qualify under [sections 2 through 8] and amendments made by [this act in 15-6-141 and

15-6-157]. It is also the policy of the state of Montana that the classifications, rates, abatements, and exemptions in [sections 2 through 8] and amendments made by [this act in 15-6-141 and 15-6-157] are to encourage investment in energy development that is consistent with maintaining a clean and healthful environment and that may not otherwise occur without [sections 2 through 8] and amendments made by [this act in 15-6-141 and 15-6-157]. [Sections 2 through 8] and amendments made by [this act in 15-6-141 and 15-6-157] are not to be interpreted as a precedent for reducing the taxation of any other property in the state or for affecting the use of any property valuation method for tax purposes established under law to meet the standards of the Montana constitution and law. The department of environmental quality and the department of revenue are directed to administer and interpret [sections 2 through 8] and amendments made by [this act in 15-6-141 and 15-6-157] strictly in accordance with this policy. Any ambiguities in [sections 2 through 8] and amendments made by [this act in 15-6-141 and 15-6-157] are to be resolved in favor of the strict reading of this policy.

Section 3. Definitions. As used in [sections 1 through 6], unless the context requires otherwise, the following definitions apply:

(1) "Biodiesel" has the meaning provided in 15-70-301.

(2) "Biodiesel production facility" means improvements and personal property used for the production and onsite storage of biodiesel.

(3) "Biogas" means methane gas produced through controlled biochemical processes in which bacteria digest animal, municipal, or other organic wastes in an oxygen-free environment. The term includes naturally occurring methane gas formed underground in landfills.

(4) "Biogas production facility" means improvements and personal property used for the production of biogas and the generation of electricity at the facility.

(5) "Biomass" means any renewable organic matter, including dedicated energy crops and trees, agricultural food and feed crops, agricultural crop wastes and residues, wood wastes and residues, aquatic plants, animal wastes, municipal wastes, and other organic waste materials.

(6) "Biomass gasification" means a technology that uses a thermochemical process to convert biomass into a low-Btu or medium-Btu gas for the purpose of producing electricity, methane gas, transportation fuels, or chemicals. The technology includes the pretreatment of biomass feedstock involving drying, pulverizing, and screening.

(7) "Biomass gasification facility" means improvements and personal property used for the production of fuel or chemicals and the generation of electricity from biomass at the facility.

(8) "Carbon sequestration" means the long-term storage of carbon dioxide from a plant or facility that produces or captures carbon dioxide, as defined in [section 7], in geologic formations, including but not limited to deep saline formations, basalt or oil shale formations, depleted oil and gas reservoirs, unmineable coal beds, and closed-loop enhanced oil recovery operations.

(9) "Clean advanced coal research and development equipment" means equipment used primarily for research and development of emerging methods for pollution control, carbon capture, and carbon sequestration. The term includes equipment used for research and development of effective and efficient removal of various pollutants and the capture, storage, transportation,

compression, and injection of carbon dioxide from coal combustion utility and industrial facilities and advanced coal conversion facilities.

(10) "Coal gasification" means a process that converts coal into a synthesis gas composed of carbon monoxide, hydrogen, and other gases. The coal gasification process includes the reaction of coal feedstock, prepared in either a dry or slurried form, with steam and oxygen at high temperature and pressure in a reducing atmosphere. The synthesis gas is then used to produce electricity, liquid fuels, methane gas, or chemicals.

(11) "Coal gasification facility" means improvements and personal property used for coal gasification that is used for the production of fuel or chemicals or the generation of electricity, or any combination of those things, at the facility. The term includes a coal-to-liquid facility or an integrated gasification combined cycle facility.

(12) "Coal-to-liquid facility" means improvements and personal property used for the production of synthetic liquid fuels from coal. The term includes a facility that uses the Fischer-Tropsch process, or other processes, to convert synthesis gas produced by coal gasification into liquid fuel.

(13) "Commencement of construction" means initiation of onsite fabrication, erection, or installation of, but not limited to, the following:

(a) building supports or foundations;

(b) laying of underground pipework; or

(c) construction of storage structures.

(14) "Ethanol" means nominally anhydrous ethyl alcohol that has been denatured as specified in 27 CFR, parts 20 and 21, and that meets the standards for ethanol adopted pursuant to 82-15-103.

(15) "Ethanol production facility" means improvements and personal property used for the production and onsite storage of ethanol made from cellulose or other nonfoodstuff materials.

(16) "Geothermal facility" means improvements and personal property used for the production of electricity from geothermal sources.

(17) "Integrated gasification combined cycle facility" means improvements and personal property of an electrical generation facility that uses a coal gasification process and routes synthesis gas to a combustion turbine to generate electricity and captures the heat from the combustion to drive a steam turbine to produce more electricity. The facility may also use incidental amounts of natural gas or other fuels in the combustion turbine.

(18) "Renewable energy" includes the following:

(a) solar energy;

(b) wind energy;

(c) geothermal energy;

(d) energy from the conversion of biomass;

(e) energy from biogas;

(f) energy from fuel cells that do not require a petroleum-based fuel;

(g) energy from waste heat; and

(h) cellulosic ethanol.

(19) (a) "Renewable energy manufacturing facility" means improvements and personal property used by a facility with its principal business being the manufacturing of material, component parts, systems, or similar equipment for use in facilities that convert renewable energy into forms of energy useful to people, including electricity. The term includes facilities for manufacturing of electric motor vehicles or hybrid electric motor vehicles.

(b) For purposes of subsection (19)(a), "principal business" means a renewable energy manufacturing facility with at least 50%, by value, of its annual production suitable for sale as renewable energy material, component parts, systems, or similar equipment.

(20) "Renewable energy research and development equipment" means equipment used primarily for research and development of the efficient use of renewable energy sources. The term includes equipment used for research and development of electric motor vehicles or hybrid electric motor vehicles.

Section 4. Energy production or development — tax abatement — eligibility. (1) A facility listed in subsection (3), clean advanced coal research and development equipment, and renewable energy research and development equipment may qualify for an abatement of property tax liability pursuant to [sections 2 through 6].

(2) (a) If the abatement is granted for a facility listed in subsection (3), the qualifying facility must be assessed at 50% of its taxable value for the qualifying period.

(b) If the abatement is granted for clean advanced coal research and development equipment or renewable energy research and development equipment, the qualifying equipment, up to the first $1 million of the value of equipment at a facility, must be assessed at 50% of its taxable value for the qualifying period. There is no abatement for any portion of the value of equipment at a facility in excess of $1 million.

(c) The abatement applies to all mills levied against the qualifying facility or equipment.

(3) Subject to subsections (4) and (5), the following facilities or property may qualify for the abatement allowed under [sections 2 through 6]:

(a) biodiesel production facilities;

(b) biogas production facilities;

(c) biomass gasification facilities;

(d) coal gasification facilities for which carbon dioxide from the coal gasification process is sequestered;

(e) ethanol production facilities;

(f) geothermal facilities;

(g) renewable energy manufacturing facilities;

(h) clean advanced coal research and development equipment and renewable energy research and development equipment;

(i) a natural gas combined cycle facility that offsets a portion of the carbon dioxide produced through carbon credit offsets;

(j) transmission lines and associated equipment and structures classified in 15-6-157;

(k) converter stations classified under [section 8];

(l) carbon sequestration equipment as defined in [section 7]; and

(m) pipelines classified under [section 7].

(4) (a) In order to qualify for the abatement under [sections 2 through 6], a facility listed in subsection (3) must meet the following requirements:

(i) commencement of construction of the facility must occur after June 1, 2007; and

(ii) the standard prevailing rate of wages for heavy construction, as provided in 18-2-401(13)(a), must be paid during the construction phase of the facility.

(b) In order to qualify for the abatement under [sections 2 through 6], clean advanced coal research and development equipment and renewable energy research and development equipment must be placed into service after June 30, 2007.

(c) For the facility to qualify under subsection (3)(d), the carbon dioxide produced from the gasification process must be sequestered at a rate that is practically obtainable but may not be less than 65%.

(d) Integrated gasification combined cycle facilities for which a permit under Title 75, chapter 2, is applied for after December 31, 2014, do not qualify under subsection (3)(d).

(e) To qualify under subsection (3)(i), the facility shall offset carbon dioxide emissions by the percentage determined in [section 6].

(5) To qualify for an abatement, the facility or clean advanced coal research and development equipment and renewable energy research and development equipment must be certified as provided in [section 5].

(6) Upon termination of the qualifying period, the abatement ceases and the property for which the abatement had been granted must be assessed at 100% of its taxable value.

(7) For the purposes of this section, "qualifying period" means the construction period and the first 15 years after the facility commences operation or the clean advanced coal research and development equipment or renewable energy research and development equipment is purchased. The total time of the qualifying period may not exceed 19 years.

Section 5. Certification. (1) (a) Upon application by a taxpayer, the department of environmental quality shall determine whether a facility or equipment qualifies for a tax abatement under [section 4] or rules adopted under [section 6]. If the department determines that a facility or equipment qualifies for abatement or a classification, it shall issue a certification of eligibility.

(b) An application for certification must be made on forms available from the department.

(c) Certification remains in effect only as long as substantial compliance with [sections 2 through 6] continues.

(2) The department of environmental quality shall identify and track compliance with [sections 2 through 6] in the use of certified property. The department may revoke a certification for failure to maintain substantial compliance with eligibility requirements in [section 4] or with rules adopted

pursuant to [section 6]. Revocation of a certificate must be reported to the department of revenue within 30 days of revocation.

(3) If a taxpayer's certification is revoked, the taxpayer forfeits the abatement or classification under 15-6-157 or [section 7]. Upon revocation, the property must be assessed at 100% of its taxable value beginning on January 1 of the year or years for which the certification is revoked. Any remaining abatement must be forfeited. The taxpayer is immediately liable for any additional taxes, penalty, and interest resulting from the revocation.

(4) A taxpayer that has forfeited any portion of its abatement because of revocation may not reapply for an abatement under [sections 2 through 6].

(5) A taxpayer aggrieved by a determination made by the department of environmental quality or the department of revenue has the right to the review procedures in 15-1-211 or to a hearing under Title 2, chapter 4, part 6.

Section 6. Rules. (1) The department of revenue shall adopt rules for the implementation of [sections 2 through 6], including the valuation of qualifying property and administration of property certified under [section 5] or classified under 15-6-157 or [section 7].

(2) The department of environmental quality shall adopt rules necessary for certification, compliance, and revocation of certificates, as provided in [section 5], and for classification as class fourteen property, as provided in 15-6-157, or class fifteen property, as provided in [section 7]. The rules may include specifying procedures, including timeframes for certification application, and definitions necessary to identify property for certification and compliance. The percentage of the carbon dioxide produced by a facility that is to be sequestered or offset must be based on technology that is practically obtainable as determined by the department.

Section 7. Class fifteen property — description — taxable percentage. (1) Class fifteen property includes:

(a) carbon dioxide pipelines certified by the department of environmental quality under [section 5] for the transportation of carbon dioxide for the purposes of sequestration or for use in closed-loop enhanced oil recovery operations;

(b) qualified liquid pipelines certified by the department of environmental quality under [section 5];

(c) carbon sequestration equipment;

(d) equipment used in closed-loop enhanced oil recovery operations; and

(e) all property of pipelines, including pumping and compression equipment, carrying products other than carbon dioxide, that originate at facilities specified in 15-6-157(1), with at least 90% of the product carried by the pipeline originating at facilities specified in 15-6-157(1) and terminating at an existing pipeline or facility.

(2) For the purposes of this section, the following definitions apply:

(a) "Carbon dioxide pipeline" means a pipeline that transports carbon dioxide from a plant or facility that produces or captures carbon dioxide to a carbon sequestration point, including a closed-loop enhanced oil recovery operation.

(b) "Carbon sequestration" means the long-term storage of carbon dioxide from a carbon dioxide pipeline in geologic formations, including but not limited

to deep saline formations, basalt or oil shale formations, depleted oil and gas reservoirs, unmineable coal beds, and closed-loop enhanced oil recovery operations.

(c) "Carbon sequestration equipment" means the equipment used for carbon sequestration, including equipment used to inject carbon dioxide at the carbon sequestration point and equipment used to retain carbon dioxide in the sequestration location.

(d) "Carbon sequestration point" means the location where the carbon dioxide is to be confined for sequestration.

(e) "Closed-loop enhanced oil recovery operation" means all oil production equipment, as described in 15-6-138(1)(c), owned by an entity that owns or operates an operation that, after construction, installation, and testing has been completed and the full enhanced oil recovery process has been commenced, injects carbon dioxide to increase the amount of crude oil that can be recovered from a well and retains as much of the injected carbon dioxide as practicable, but not less than 85% of the carbon dioxide injected each year absent catastrophic or unforeseen occurrences.

(f) "Liquid pipeline" means a pipeline that is dedicated to using 90% of its pipeline capacity for transporting fuel or methane gas from a coal gasification facility, biodiesel production facility, biogas production facility, or ethanol production facility.

(g) "Plant or facility that produces or captures carbon dioxide" means a facility that produces a flow of carbon dioxide that can be sequestered or used in a closed-loop enhanced oil recovery operation. This does not include wells from which the primary product is carbon dioxide.

(3) Class fifteen property does not include a carbon dioxide pipeline, liquid pipeline, or closed-loop enhanced oil recovery operation for which, during construction, the standard prevailing wages for heavy construction, as provided in 18-2-401(13)(a), were not paid during the construction phase.

(4) Class fifteen property is taxed at 3% of its market value.

Section 8. Class sixteen property — description — taxable percentage. (1) Class sixteen property includes high-voltage direct-current converter stations that are constructed in a location and manner so that the converter station can direct power to two different regional power grids.

(2) Class sixteen property does not include property described in subsection (1) for which the standard prevailing rate of wages for heavy construction, as provided in 18-2-401(13)(a), was not paid during the construction phase.

(3) (a) The department shall determine whether to certify that the property meets the criteria of subsection (1).

(b) If the department finds that a certification previously granted was based on an application that the applicant knew was false or fraudulent, the property must be placed in class nine under 15-6-141. If the application was fraudulent, the applicant may be liable for additional taxes, penalty, and interest from the time that the certification was in effect.

(4) Class sixteen property is taxed at 2.25% of its market value.

Section 9. Exemption for land adjacent to transmission line right-of-way easement — application — limitations. (1) Subject to the conditions of this section, for tax years beginning after December 31, 2007, there

is allowed an exemption from property taxes for land that is within 660 feet on either side of the midpoint of a transmission line right-of-way or easement.

(2) (a) An owner or operator of a transmission line shall apply to the department for an exemption under this section on a form provided by the department. The application must include a legal description and a digitized certificate of survey prepared by a surveyor registered with the board of professional engineers and professional land surveyors provided for in 2-15-1763 of the property in the county for which the exemption is sought and other information required by the department. A separate application must be made for each county in which an exemption is sought.

(b) An application for an exemption that would be in effect for the tax year and subsequent tax years must be filed with the department by March 1 in the tax year that the exemption is sought.

(3) (a) The owner or operator of a transmission line shall inform the department of any change in ownership of the land or other circumstances that may affect the eligibility of the land for the exemption. The department shall determine whether any changes have occurred that affect the eligibility of the land for the exemption.

(b) The exemption allowed under this section does not apply to:

(i) the boundaries of an incorporated or unincorporated city or town;

(ii) a platted and filed subdivision;

(iii) tracts of land used for residential, commercial, or industrial purposes; or

(iv) the 1 acre of land beneath improvements on land described in 15-6-133(1)(c) and 15-7-206(2).

(4) For the purposes of this section, "transmission line" means an electric line with a design capacity of 30 megavoltamperes or greater that is constructed after January 1, 2007.

Section 10. Section 15-6-141, MCA, is amended to read:

"15-6-141. Class nine property — description — taxable percentage. (1) Class nine property includes:

(a) centrally assessed allocations of an electric power company or centrally assessed allocations of an electric power company that owns or operates transmission or distribution facilities or both, including, if congress passes legislation that allows the state to tax property owned by an agency created by congress to transmit or distribute electrical energy, allocations of properties constructed, owned, or operated by a public agency created by congress to transmit or distribute electrical energy produced at privately owned generating facilities, not including rural electric cooperatives. However, rural electric cooperatives' property, except wind generation facilities classified under 15-6-157, used for the sole purpose of serving customers representing less than 95% of the electric consumers located within the incorporated limits of a city or town of more than 3,500 persons in which a centrally assessed electric power company also owns property or serving an incorporated municipality with a population that is greater than 3,500 persons formerly served by a public utility that after January 1, 1998, received service from the facilities of an electric cooperative is included. For purposes of this subsection (1)(a), "property used for the sole purpose" does not include a headquarters, office, shop, or other similar facility.

(b) allocations for centrally assessed natural gas companies having a major distribution system in this state; and

(c) centrally assessed companies' allocations except:

(i) electrical generation facilities classified under 15-6-156 ~~and wind generation facilities~~;

(ii) all property classified under 15-6-157;

(iii) all property classified under [sections 7 and 8];

~~(ii)~~*(iv)* property owned by cooperative rural electric and cooperative rural telephone associations and classified under 15-6-135;

~~(iii)~~*(v)* property owned by organizations providing telephone communications to rural areas and classified under 15-6-135;

~~(iv)~~*(vi)* railroad transportation property included in 15-6-145;

~~(v)~~*(vii)* airline transportation property included in 15-6-145; and

~~(vi)~~*(viii)* telecommunications property included in 15-6-156.

(2) Class nine property is taxed at 12% of market value."

Section 11. Section 15-6-157, MCA, is amended to read:

"15-6-157. Class fourteen property — description — taxable percentage. (1) Class fourteen property includes:

(a) wind generation facilities of a centrally assessed electric power company;

(b) wind generation facilities owned or operated by an exempt wholesale generator or an entity certified as an exempt wholesale generator pursuant to section 32 of the Public Utility Holding Company Act of 1935, 15 U.S.C. 79z-5a;

(c) noncentrally assessed wind generation facilities owned or operated by any electrical energy producer;

(d) wind generation facilities owned or operated by cooperative rural electric associations described under 15-6-137;

(e) all property of a biodiesel production facility, as defined in [section 3], that has commenced construction after June 1, 2007;

(f) all property of a biogas production facility, as defined in [section 3], that has commenced construction after June 1, 2007;

(g) all property of a biomass gasification facility, as defined in [section 3];

(h) all property of a coal gasification facility, as defined in [section 3], except for property in subsection (1)(k) of this section, that sequesters carbon dioxide;

(i) all property of an ethanol production facility, as defined in [section 3], that has commenced construction after June 1, 2007;

(j) all property of a geothermal facility, as defined in [section 3];

(k) all property of an integrated gasification combined cycle facility, as defined in [section 3], that sequesters carbon dioxide, as required by [section 4(4)(c)];

(l) all property or a portion of the property of a renewable energy manufacturing facility, as defined in [section 3], that has commenced construction after June 1, 2007;

(m) all property of a natural gas combined cycle facility;

(n) equipment that is used to capture and to prepare for transport carbon dioxide that will be sequestered or injected for the purpose of enhancing the recovery of oil and gas, other than that equipment at coal combustion plants of the types that are generally in commercial use as of December 31, 2007, that commence construction after December 31, 2007;

(o) high-voltage direct-current transmission lines and associated equipment and structures, including converter stations and interconnections, other than property classified under [section 8], that:

(i) originate in Montana with a converter station located in Montana east of the continental divide that is constructed after July 1, 2007;

(ii) are certified under the Montana Major Facility Siting Act; and

(iii) provide access to energy markets for Montana electrical generation facilities listed in this section that commenced construction after June 1, 2007;

(p) all property of electric transmission lines, including substations, that originate at facilities specified in this subsection (1), with at least 90% of electricity carried by the line originating at facilities specified in this subsection (1) and terminating at an existing transmission line or substation that has commenced construction after June 1, 2007;

(q) the qualified portion of an alternating current transmission line and its associated equipment and structures, including interconnections, that has commenced construction after June 1, 2007.

(2) (a) The qualified portion of an alternating current transmission line in subsection (1)(q) is that percentage, as determined by the department of environmental quality, of rated transmission capacity of the line contracted for on a firm basis by buyers or sellers of electricity generated by facilities specified in subsection (1) that are located in Montana.

(b) The department of revenue shall classify the total value of an alternating current transmission line in accordance with the determination made by the department of environmental quality pursuant to subsection (2)(a).

(c) The owner of property described under this subsection (2) shall disclose the location of the generation facilities specified in subsection (1) and information sufficient to demonstrate that there is a firm contract for transmission capacity available throughout the year. For purposes of the initial qualification, the owner is not required to disclose financial terms and conditions of contracts beyond that needed for classification.

~~(2)~~*(3)* Class fourteen property does not include ~~wind generation~~ facilities:

(a) at which the standard prevailing rate of wages for heavy construction, as provided in 18-2-401(13)(a), was not paid during the construction phase; or

(b) that are exempt under 15-6-225.

~~(3)~~*(4)* For the purposes of this section, "wind generation facilities" means any combination of a physically connected wind turbine or turbines, associated prime movers, and other associated property, including appurtenant land and improvements and personal property, that are normally operated together to produce electric power from wind.

(5) (a) The department of environmental quality shall determine whether to certify that a transmission line meets the criteria of either subsection (1)(o), (1)(p), or (1)(q), as applicable, based on an application provided for in [section 5]. The department of environmental quality shall review the certification 10 years

after the line is operational, and if the property no longer meets the requirements of either subsection (1)(o), (1)(p), or (1)(q), the certification must be revoked.

(b) If the department of revenue finds that a certification previously granted was based on an application that the applicant knew was false or fraudulent, the property must be placed in class nine under 15-6-141. If the application was fraudulent, the applicant may be liable for additional taxes, penalty, and interest from the time that the certification was in effect.

~~(4)~~*(6)* Class fourteen property is taxed at 3% of its market value."

Section 12. Notification to tribal governments. The secretary of state shall send a copy of [this act] to each tribal government located on the seven Montana reservations and to the Little Shell Chippewa tribe.

Section 13. Codification instruction. (1) [Sections 2 through 6] are intended to be codified as an integral part of Title 15, and the provisions of Title 15 apply to [sections 2 through 6].

(2) [Sections 7 and 8] are intended to be codified as an integral part of Title 15, chapter 6, part 1, and the provisions of Title 15, chapter 6, part 1, apply to [sections 7 and 8].

(3) [Section 9] is intended to be codified as an integral part of Title 15, chapter 6, part 2, and the provisions of Title 15, chapter 6, part 2, apply to [section 9].

Section 14. Severability. If a part of [this act] is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

Section 15. Effective date. [This act] is effective on passage and approval.

Approved May 25, 2007

CHAPTER NO. 3

[HB 4]

AN ACT APPROPRIATING MONEY FOR CAPITAL PROJECTS AND INFORMATION TECHNOLOGY CAPITAL PROJECTS FOR THE BIENNIUM ENDING JUNE 30, 2009; PROVIDING FOR OTHER MATTERS RELATING TO THE APPROPRIATIONS; PROVIDING FOR A TRANSFER OF FUNDS FROM THE STATE GENERAL FUND TO THE LONG-RANGE BUILDING PROGRAM ACCOUNT; PROVIDING FOR A TRANSFER OF FUNDS FROM THE STATE GENERAL FUND TO THE FISH, WILDLIFE, AND PARKS CAPITAL PROJECTS ACCOUNT; PROVIDING FOR A TRANSFER OF FUNDS FROM THE STATE GENERAL FUND TO THE LONG-RANGE INFORMATION TECHNOLOGY PROGRAM ACCOUNT; PROVIDING FOR THE DEVELOPMENT AND ACQUISITION OF NEW INFORMATION TECHNOLOGY SYSTEMS FOR THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES, THE DEPARTMENT OF ADMINISTRATION, AND THE JUDICIAL BRANCH; PROVIDING FOR THE REAPPROPRIATION OF LONG-RANGE INFORMATION TECHNOLOGY CAPITAL PROJECT FUNDS; REQUIRING APPROVAL OF PROJECT AND SECURITY PLANS FOR CERTAIN PROJECTS; REVISING CAPITAL PROJECTS AUTHORIZED FOR THE BIENNIUM ENDING JUNE 30, 2007;

APPROPRIATING STATE GENERAL FUND MONEY FROM THE SALE OF THE MISSOULA ARMORY; APPROPRIATING MONEY FROM THE STATE GENERAL FUND FOR OPERATING EXPENSES ASSOCIATED WITH INFORMATION TECHNOLOGY PROJECTS AND ENERGY CONSERVATION PROJECTS IN STATE BUILDINGS; REQUIRING PAYMENT OF ENERGY COST SAVINGS TO A SPECIAL REVENUE ACCOUNT; PROHIBITING TELECOMMUNICATIONS AND INFORMATION SERVICES COMPETITION; AMENDING SECTION 2, CHAPTER 560, LAWS OF 2005; REPEALING SECTION 8, CHAPTER 560, LAWS OF 2005; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

Be it enacted by the Legislature of the State of Montana:

Section 1. Definitions. For the purposes of [sections 1 through 19], unless otherwise stated, the following definitions apply:

(1) "Authority only" means approval provided by the legislature to expend money that does not require an appropriation, including grants, donations, auxiliary funds, proprietary funds, and university funds.

(2) "Capital project" means the acquisition of land or improvements or the planning, capital construction, renovation, furnishing, or major repair projects authorized in [sections 1 through 19].

(3) "Chief information officer" has the meaning provided in 2-17-506.

(4) "Information technology" has the meaning provided in 2-17-506.

(5) "Information technology capital project" means a group of interrelated information technology activities that are planned and executed in a structured sequence to create a unique product or service.

(6) "LRBP" means the long-range building program account in the capital projects fund type.

(7) "LRITP" means the long-range information technology program account in the capital projects fund type.

(8) "Other funding sources" means money other than LRBP money, including special revenue fund money, that accrues to an agency under the provisions of law.

Section 2. Capital project appropriations and authorizations. The following money is appropriated for the indicated capital projects from the indicated sources to the department of administration. Funds not requiring legislative appropriation are included for the purpose of authorization. The department of administration is authorized to transfer the appropriations and authority among the necessary fund types for these projects:

Agency/Project	LRBP Fund Revenue	State Special Revenue	Federal Special Sources	Other Funding	Authority Only	Total
MONTANA SCHOOL FOR THE DEAF AND BLIND						
Replace Boiler	600,000					600,000
Cottage Improvement					372,000	372,000
Authority only funds consist of federal special revenue, donations, and grants.						
DEPARTMENT OF ADMINISTRATION						
Roof Repairs and Replacements, Statewide	3,000,000	392,160	68,040			3,460,200

Code/Deferred Maintenance Projects, Statewide	2,300,000			2,300,000
Hazardous Materials Abatement, Statewide	500,000			500,000
Code/Deferred Maintenance Projects, Capitol Complex			550,000	550,000
Authority only funds consist of general services division internal service funds.				
Upgrade Fire Protection Systems, Statewide	500,000			500,000
Fire Protection Measures, Capitol Complex			500,000	500,000
Authority only funds consist of general services division internal service funds.				
Upgrade State Environmental Laboratory, Helena	1,000,000	1,000,000		2,000,000
Repair/Preserve Building Envelopes, Statewide	1,500,000			1,500,000
Campus Infrastructure Projects, Statewide	1,000,000			1,000,000
Mechanical System Improvements, Capitol Complex			1,900,000	1,900,000
Authority only funds consist of general services division internal service funds.				
Deferred Maintenance, Phase 2, MT Law Enforcement Academy	500,000			500,000
New Classroom Building, MT Law Enforcement Academy	3,750,000			3,750,000
Enterprise System Services Centers	10,500,000	4,000,000		14,500,000
Other funds consist of capitol land grant funds.				
Campus Master Planning, Statewide	400,000		250,000	650,000
Authority only funds consist of general services division internal service funds.				
Challenge Grant for Super Computer, UM-MT Tech	259,000		7,000,000	7,259,000
Authority only funds may include federal special revenue, donations, grants, and higher education funds.				
DEPARTMENT OF CORRECTIONS				
Housing Unit Upgrades, MT State Prison	1,200,000			1,200,000
Expand Work Dorm, MT State Prison	2,500,000			2,500,000
Expand Food Service Capacity, MT State Prison	1,637,000		293,000	1,930,000
Authority only funds consist of proprietary funds.				
DEPARTMENT OF FISH, WILDLIFE, AND PARKS				
Hatchery Maintenance	500,000			500,000
Administrative Facilities Repair and Maintenance	800,000			800,000

DEPARTMENT OF MILITARY AFFAIRS				
Readiness Center, Miles City	2,480,000	7,510,970		9,990,970
Armed Forces Reserve Center, Missoula		30,903,968		30,903,968
Construct Female Showers and Latrines	290,000	290,000		580,000
Montana State Veterans' Cemetery Expansion		1,206,000		1,206,000
Disaster and Emergency Services Mobile Command Post	172,500			172,500
MONTANA UNIVERSITIES AND COLLEGES				
Code Compliance/Deferred Maintenance, MT University System	3,600,000			3,600,000
Systems Improvements, MT-Tech College of Technology	925,000			925,000
Steam Distribution System Upgrades, Phase 2, UM-Missoula	2,000,000		1,000,000	3,000,000
Authority only funds consist of auxiliary funds.				
Renovate Clapp Building, UM-Missoula	821,000			821,000
Renovate Armory Gym, MSU-Northern	400,000		3,250,000	3,650,000
Authority only funds consist of auxiliary funds.				
Renovate Main Hall, UM-Western	4,500,000			4,500,000
Renovate McMullen Hall, MSU-Billings	1,924,500			1,924,500
Stabilize Masonry, MSU-Bozeman	2,600,000			2,600,000
Classroom/Laboratory Upgrades, MT University System	2,000,000			2,000,000
Utility Infrastructure Improvements, MSU-Bozeman	500,000		50,000	550,000
Authority only funds consist of auxiliary funds.				
Supplement UM-Helena College of Technology Expansion	4,500,000		135,000	4,635,000
Authority only funds consist of auxiliary funds.				
Supplement Great Falls College of Technology Addition	3,000,000			3,000,000
Supplement Billings College of Technology Expansion	2,217,000			2,217,000
COT Long-Range Planning, UM-Missoula	500,000			500,000
Auto Tech Center Design, MSU-Northern	800,000			800,000
Renovate Gaines Hall, MSU-Bozeman	28,500,000			28,500,000

Law School Addition, UM-Missoula	4,200,000	5,050,000	9,250,000

Authority only funds may include federal special revenue, donations, grants, and higher education funds.

Augment Petroleum, Bureau of Mines and Geology, UM-MT Tech	5,200,000		5,200,000
School of Journalism Building, UM-Missoula	500,000		500,000
Increase Authority, Museum of the Rockies, MSU-Bozeman		3,500,000	3,500,000

Authority only funds may include federal special revenue, donations, grants, and higher education funds.

School of Education Building, UM-Missoula		7,500,000	7,500,000

Authority only funds may include federal special revenue, donations, grants, and higher education funds.

New Parking Structure, UM-Missoula		5,000,000	5,000,000

Authority only funds may include federal special revenue, auxiliary, donations, grants, and higher education funds.

Montana Agricultural Extension Services			
Research Centers and Farms	5,000,000	1,250,000	6,250,000

Authority is granted to Montana state university in the indicated amounts for the purpose of making capital improvements to the designated facilities.

Authority only funds may include any type of nonstate funding.

Animal Bioscience Facility, MSU-Bozeman	3,570,000		3,570,000
DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES			
Receiv. Hospital Renovat., MT State Hospital, Warm Springs	5,800,000		5,800,000
Renovate/Improve Support Services, MT State Hospital	4,500,000		4,500,000
MT Mental Health Nursing Care Center Improvements, Lewistown	750,000		750,000
Montana Veterans' Home Improvements	1,413,000		1,413,000
Improve Campus, MT State Hospital, Warm Springs	1,280,000		1,280,000
DEPARTMENT OF TRANSPORTATION			
Equipment Storage Buildings, Statewide	2,700,000		2,700,000
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION			
Code/Deferred Maintenance and Small Projects, DNRC Unit Campuses, Statewide	750,000		750,000
Co-locate DNRC/DEQ, Kalispell	3,500,000		3,500,000
Consolidate DNRC Divisions, Missoula	2,000,000		2,000,000

Building Addition, Billings Oil and Gas Office		750,000	750,000
DEPARTMENT OF JUSTICE			
Purchase Forensic Science Lab Building	7,250,000		7,250,000

Section 3. Fund transfers. (1) Subject to subsection (4), there is transferred from the state general fund $63,057,942 in fiscal year 2008 and $63,057,942 in fiscal year 2009 to the long-range building program account in the capital projects fund type for the projects enumerated in [section 2].

(2) Subject to subsection (4), there is transferred from the state general fund $5 million in fiscal year 2008 and $5 million in fiscal year 2009 to the fish, wildlife, and parks capital projects account in the capital projects fund type for the projects enumerated in [section 5].

(3) Subject to subsection (4), the following amounts are transferred from the state general fund to the LRITP in the capital projects fund type:

(a) $11,653,900 for fiscal year 2008; and

(b) $29,265,100 for fiscal year 2009.

(4) In order to maintain an adequate ending fund balance, if at any time during the 2009 biennium the office of budget and program planning projects a 2009 biennium unreserved ending general fund balance of less than $100 million, the office of budget and program planning may direct the department of administration to reduce the fund transfers in subsections (1) through (3). The department of administration shall transfer the funds on a schedule approved by the office of budget and program planning that enables the statewide management goals for cash flow and for fund balance. On occasions when reductions in transfers appear imminent, the office of budget and program planning may notify the legislative finance committee and seek input from the committee into the reduction plan. If the projected unreserved general fund ending fund balance increases at a later point in the biennium, the fund transfers may be increased back up to the original authorized level. The office of budget and program planning may not direct fund transfers to be reduced below the level of encumbrance obligations made against the appropriation at the time of the reduction.

(5) There is transferred from the general fund to the LRITP $2,909,470 in fiscal year 2008 to be used for the projects in [section 16].

Section 4. Capital improvements. (1) The following money is appropriated to the department of fish, wildlife, and parks in the indicated amounts for the purpose of making capital improvements to statewide facilities. Funds not requiring legislative appropriation are included for the purpose of authorization:

Agency/Project	LRBP Fund	State Special Revenue	Federal Special Revenue	Other Funding Sources	Authority Only	Total
Future Fisheries		1,314,000				1,314,000
Fishing Access Site Maintenance		350,000				350,000
Fishing Access Site Protection		800,000				800,000
Community Fishing Ponds		50,000				50,000

Upland Game Bird Program		1,258,000			1,258,000
Wildlife Habitat Maintenance		1,200,000			1,200,000
Migratory Bird Stamp Program		360,000			360,000
Bighorn Sheep		250,000			250,000
Parks Program	500,000	4,950,000	2,300,000		7,750,000
Grant Programs/Federal Projects		320,000	2,800,000		3,120,000

(2) Authority is granted to the university of Montana in the indicated amount for the purpose of making capital improvements to campus facilities. Authority only funds may include federal special revenue, donations, grants, and higher education funds. All costs for the operations and maintenance of any new improvements constructed under this authorization must be paid by the university of Montana with nonstate revenue.

Agency/Project	LRBP Fund	State Special Revenue	Federal Special Revenue	Other Funding Sources	Authority Only	Total
General Spending Authority, UM-All Campuses					4,000,000	4,000,000

(3) Authority is granted to Montana state university in the indicated amount for the purpose of making capital improvements to campus facilities. Authority only funds may include federal special revenue, donations, grants, and higher education funds. All costs for the operations and maintenance of any new improvements constructed under this authorization must be paid by Montana state university with nonstate revenue.

Agency/Project	LRBP Fund	State Special Revenue	Federal Special Revenue	Other Funding Sources	Authority Only	Total
General Spending Authority, MSU-All Campuses					5,000,000	5,000,000

(4) The following money is appropriated to the department of military affairs in the indicated amount for the purpose of making capital improvements to statewide facilities. All costs for the operation and maintenance of any new improvements constructed with these funds must be paid by the department of military affairs with nonstate revenue.

Agency/Project	LRBP Fund	State Special Revenue	Federal Special Revenue	Other Funding Sources	Authority Only	Total
Federal Spending Authority			2,000,000			2,000,000

(5) The following money is appropriated to the department of transportation in the indicated amounts for the purpose of making capital improvements as indicated:

Agency/Project	LRBP Fund	State Special Revenue	Federal Special Revenue	Other Funding Sources	Authority Only	Total
Statewide Maintenance Repair and Small Projects		1,050,000				1,050,000
US Highway 93 Projects		26,000,000				26,000,000

(6) The following money is appropriated to the department of commerce, Montana heritage preservation and development commission, in the indicated amount for the purpose of making capital improvements to facilities located in Virginia City and Nevada City:

Agency/Project	LRBP Fund	State Special Revenue	Federal Special Revenue	Other Funding Sources	Authority Only	Total
Historic Preservation and Supporting Improvements, Virginia and Nevada Cities	2,000,000					2,000,000

(7) The following money is appropriated to the department of commerce in the indicated amount for a grant to assist in the site development and project planning at the cowboy hall of fame:

Agency/Project	LRBP Fund	State Special Revenue	Federal Special Revenue	Other Funding Sources	Authority Only	Total
Grant to the Cowboy Hall of Fame				500,000		500,000

Other funds consist of one-time-only state general fund money.

Section 5. Land acquisition appropriations. The following money is appropriated to the department of fish, wildlife, and parks in the indicated amounts for purposes of land acquisition, land leasing, easement purchase, or development agreement:

Agency/Project	LRBP Fund	State Special Revenue	Federal Special Revenue	Other Funding Sources	Authority Only	Total
Fishing Access Site Acquisition		460,000	100,000			560,000
Habitat Montana		6,180,000				6,180,000
Access Montana				10,000,000		10,000,000

Other funds consist of fish, wildlife, and parks capital projects funds.

The department of fish, wildlife, and parks shall give highest priority consideration to the acquisition of the Culbertson overlook and the south half of Brush Lake in the access Montana initiative.

Section 6. Dams. (1) The following money is appropriated to the department of fish, wildlife, and parks in the indicated amount for department dams:

Agency/Project	LRBP Fund	State Special Revenue	Federal Special Revenue	Other Funding Sources	Authority Only	Total
FWP Dams Repair		100,000				100,000

(2) In accordance with 85-1-101, the department of natural resources and conservation shall coordinate and manage the projects.

Section 7. Bridges. The following money is appropriated to the department of natural resources and conservation in the indicated amount for department bridge projects:

Agency/Project	LRBP Fund	State Special Revenue	Federal Special Revenue	Other Funding Sources	Authority Only	Total
Bridge Replacement/Repair		750,000				750,000

Section 8. Transfer of appropriations. The department of fish, wildlife, and parks and the department of transportation are authorized to transfer the appropriations and authority in [sections 4 through 6] among the necessary fund types for these projects.

Section 9. Capital land grant revenue. The appropriation of $4 million in capitol land grant revenue to the department of administration for the enterprise system services centers is the last priority for the use of these funds during the 2009 biennium and is dependent upon the availability of revenue. If necessary, the department of administration, architecture and engineering division, shall reduce the project in scope or phase as capitol land grant revenue becomes available.

Section 10. Planning and design. The department of administration may proceed with the planning and design of capital projects prior to the receipt of other funding sources. The department may use interentity loans in accordance with 17-2-107 to pay planning and design costs incurred before the receipt of other funding sources.

Section 11. Capital projects — contingent funds. If a capital project is financed, in whole or in part, with appropriations contingent upon the receipt of other funding sources, the department of administration may not let the project for bid until the agency has submitted a financial plan for approval by the director of the department of administration. A financial plan may not be approved by the director if:

(1) the level of funding provided under the financial plan deviates substantially from the funding level provided in [sections 2 through 7] for that project; or

(2) the scope of the project is substantially altered or revised from the preliminary plans presented for that project in the 2009 biennium long-range building program presented to the 60th legislature.

Section 12. Review by department of environmental quality. The department of environmental quality shall review capital projects authorized in [sections 2 through 7] for potential inclusion in the state building energy conservation program under Title 90, chapter 4, part 6. When a review shows that a capital project will result in energy improvements, that project must be submitted to the energy conservation program for funding consideration. Funding provided under the energy conservation program guidelines must be used to offset or add to the authorized funding for the project, and the amount will be dependent on the annual utility savings resulting from the facility improvement. Agencies must be notified of potential funding after the review.

Section 13. Department of military affairs projects. (1) All proceeds derived from the sale of the national guard armory located in Missoula must be deposited in the general fund. Up to $3.5 million of those proceeds is appropriated to the department of military affairs to pay the costs associated with the sale of the armory, to lease or otherwise provide replacement space for soldiers until a new facility is complete, and for the purchase of land for the new Missoula armed forces reserve center.

(2) If the department of military affairs is able to obtain 100% federal funding for the new readiness center at Miles City in [section 2], the federal special revenue fund appropriation for that project is increased to up to $14 million and the LRBP fund appropriation is reduced by up to $2.48 million. Of the LRBP funds released from this project as a result of the additional federal

funds, $80,000 is appropriated to the department of military affairs for facility improvements at the Montana military museum and $2.4 million must be transferred to the state general fund.

Section 14. Information technology appropriations and authorizations. (1) All business application systems funded under this section must have a plan approved by the chief information officer for the design, definition, creation, storage, and security of the data associated with the application system. The security aspects of the plan must address but are not limited to authentication and granting of system privileges, safeguards against unauthorized access to or disclosure of sensitive information, and, consistent with state records retention policies, plans for the removal of sensitive data from the system when it is no longer needed. It is the intent of this subsection that specific consideration be given to the potential sharing of data with other state agencies in the design, definition, creation, storage, and security of the data.

(2) Funds may not be released for the project until the chief information officer and budget director approve the plans described in subsection (1).

(3) The following money is appropriated to the department of administration for the indicated information technology capital projects:

Agency/Project	LRITP	Federal Special Revenue	Total
DEPARTMENT OF ADMINISTRATION			
Network Upgrades	2,042,000		2,042,000
University Research Network	568,000		568,000
Public Safety Radio Consortium	4,595,000		4,595,000
Public Safety Radio Interoperability	3,500,000		3,500,000
DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES			
TANF Eligibility System	7,625,000	8,600,000	16,225,000
CHIMES System (Completion)	550,000	550,000	1,100,000
Food Stamps System	6,535,000	6,535,000	13,070,000
Child and Adult Protective Services (CAPS) System	15,204,000	11,946,000	27,150,000
ICD 10 (Medicaid Disease Codes)	300,000	2,700,000	3,000,000

(4) There is appropriated to the department of administration $5.618 million from the state general fund in the 2009 biennium for the operating costs associated with the network upgrades, the university research network, and the public safety radio consortium projects listed in subsection (3). If this appropriation is not fully expended for operating costs, then the remaining amount of the appropriation may be used to complete the network upgrades expansion and public safety radio consortium projects in subsection (3).

Section 15. Restrictions on information technology appropriations. The network upgrades and the university research network appropriations are restricted by the following conditions:

(1) The network upgrades appropriation may not be used to acquire, operate, or maintain unused fiber-optic facilities in competition with the private sector. The network upgrades project must be performed by contracted services pursuant to Title 18, chapter 4.

(2) The university research network, part of a national research network infrastructure, serves entities within and outside this state. The Montana

university system shall use the university research network infrastructure only for the purpose of supporting the research and education missions of the Montana university system. The Montana university system may not use the university research network infrastructure for traditional internet, voice, video, or other telecommunications services beyond those required for research networks.

(3) The Montana university system or any entity associated with the university system may not resell any portion of the university research network to nonuniversity entities other than research collaborators.

(4) The university research network may not replace any telecommunications network services that are provided by the department of administration to any state agency, city, county, consolidated government, or school district under Title 2, chapter 17, part 5.

(5) The Montana university system shall provide a comprehensive biennial report of the university research network activities for the biennium beginning July 1, 2007, to the legislature in its next regular session as provided in 5-11-210 and shall submit to a biennial audit of the university research network activities beginning with the biennium beginning July 1, 2009.

Section 16. Judicial branch information technology capital projects appropriation. (1) There is appropriated to the supreme court $2,909,470 from the LRITP for case management improvements and courtroom technology improvements in the judicial branch.

(2) Before encumbering any funds appropriated in subsection (1), the office of court administrator shall submit a project and security plan, as described in [section 14(1)], to the chief information officer. The chief information officer shall promptly review the plan and, if necessary, make timely recommendations to the office of court administrator regarding implementation of the plan.

(3) As part of the annual report to the law and justice interim committee and house appropriations subcommittee required under 3-1-702, the office of court administrator shall include an update on the implementation of projects funded under this section.

(4) There is appropriated to the judicial branch $1,025,530 from the state general fund in the 2009 biennium for operating costs associated with the judicial branch information technology project in subsection (1). If this appropriation is not fully expended for operating costs, then the remaining amount of the appropriation may be used to complete the judicial branch project in subsection (1).

Section 17. Legislative consent. The appropriations authorized in [sections 1 through 13] constitute legislative consent for the capital projects contained in [sections 1 through 13] within the meaning of 18-2-102.

Section 18. Reappropriation of long-range information technology capital project funds. The remaining balances for long-range information technology capital projects previously approved by the legislature and identified as long-range information technology capital projects in an appropriation act are reappropriated for the purposes of the original appropriation until the projects are completed.

Section 19. Approval required. Amounts appropriated by the legislature to executive branch agencies, other than the university system, for long-range information technology capital projects may not be encumbered until project

and security plans are approved by the chief information officer and the budget director if the legislature directs these approvals as a condition on the appropriations in the bill making the appropriations.

Section 20. Section 2, Chapter 560, Laws of 2005, is amended to read:

"**Section 2. Capital projects appropriations and authorizations.** (1) Subject to [section 9(2)], the following money is appropriated for the indicated capital projects from the indicated sources to the department of administration. Funds not requiring legislative appropriation are included for the purpose of authorization. The department of administration is authorized to transfer either or both the appropriations and authority among the necessary fund types for these projects:

Agency/Project	LRBP		Other Funding Sources
MONTANA SCHOOL FOR THE DEAF AND BLIND			
Facility Improvements, Montana School for the Deaf and Blind	$398,000		
DEPARTMENT OF ADMINISTRATION			
Roof Repair and Replacement, Statewide	3,076,242	$206,500	Federal Special Revenue
Repair/Preserve Building Exteriors, Statewide	497,500		
Window Repairs and Replacement, Statewide	1,268,625		
Deferred Maintenance, Montana Law Enforcement Academy	761,175		
Hazardous Materials Abatement, Statewide	497,500		
Code/Deferred Maintenance Projects, Statewide	1,255,989	90,000	Federal Special Revenue
Repair Deteriorated Campus Infrastructure, Statewide	547,250		
Major Maintenance and Repairs to State Capitol	497,500		
Upgrade Fire Alarm Systems, Statewide	398,000		
Repair Elevators, Capitol Complex	796,000		
Upgrade 1100 North Last Chance Gulch	1,201,960		
DPHHS Commodity Warehouse Expansion, Helena		2,000,000	Federal Special Revenue
Public Restrooms, Virginia City and Nevada City	99,450		
Public Safety Learning Center, Montana Law Enforcement Academy		3,450,000	Federal Special Revenue
Long-range Building Program Funding Interim Project	8,000		
~~Capitol Annex or Alternatives Feasibility Study~~		~~500,000~~	~~Capitol Land Grant Funds~~

MONTANA HISTORICAL SOCIETY			
Montana Historical Society Building, Helena		30,000,000	Donations and Grants
Authority is granted to the department of administration in the indicated amount for the construction of a new historical society building.			
DEPARTMENT OF CORRECTIONS			
Improve Water System, Montana State Prison	124,375		
Improve High-Side Kitchen Ventilation, Montana State Prison	116,714		
Improve Perimeter Security, Montana State Prison	1,393,000		
DEPARTMENT OF FISH, WILDLIFE, AND PARKS			
Hatchery Maintenance, Statewide		575,000	State Special Revenue
		575,000	Federal Special Revenue
Rose Creek Hatchery		1,700,000	State Special Revenue
Fort Peck Storage/Office Space		50,000	State Special Revenue
		150,000	Federal Special Revenue
Administrative Facilities Repair, Maintenance and Improvements		800,000	State Special Revenue
DEPARTMENT OF MILITARY AFFAIRS			
Federal Spending Authority		2,100,000	Federal Special Revenue
Western Montana Veterans' Cemetery, Missoula		3,200,000	Federal Special Revenue
Montana State Veterans' Cemetery Columbarium, Fort Harrison		500,000	Federal Special Revenue
MONTANA UNIVERSITIES AND COLLEGES			
ADA/Code/Deferred Maintenance Projects, Montana University System	1,393,000		
Upgrade Steam Distribution System, UM-Missoula	5,905,325	3,060,000	Auxiliary Funds
Upgrade HVAC Systems, Pershing and Brockman Halls, MSU-Northern	521,380		
Heating System Improvements, Academic Center and McMullen Halls, MSU-Billings	243,775		
Mining and Geology Building Mechanical System Renovation, UM-Butte	915,400		
Upgrade Health Sciences HVAC System, Phase 2, UM-Missoula	965,150		
Renovate Domestic Water Distribution System, UM-Dillon	182,185		
Classroom/Laboratory Upgrades, Montana University System	995,000		
Facility Repairs and Improvements, MSU-Billings	542,275		
Heating Plant Phase 3, MSU-Bozeman	945,250		
Renovate HVAC Systems, Science Complex 3rd and 4th Floors, UM-Missoula	606,950		

Water/Sewer System Repairs and Maintenance, MSU-Bozeman	248,750	250,000	Auxiliary Funds
Upgrade Primary Electrical Distribution, MSU-Bozeman	746,250	750,000	Auxiliary Funds
Facility Repairs and Improvements, MSU-Agricultural Experiment Stations	477,600		
MSU-Agricultural Experiment Station Projects	646,750		
Campus Improvements, MSU-Northern	636,800	300,000	Auxiliary Funds
New Construction, Consolidate Campus, UM-Missoula College of Technology		24,500,000	Federal Special Revenue, Donations, Grants, and Higher Education Funds

Authority is granted to the department of administration in the indicated amount for the purpose of constructing a new university of Montana-Missoula college of technology.

Native American Study Center, UM-Missoula		2,500,000	Federal Special Revenue, Donations, Grants, and Higher Education Funds

Authority is granted to the department of administration in the indicated amount for the purpose of constructing the Native American center. This authority augments $3,500,000 of existing authority for this capital improvement.

New Gallery Space, UM-Missoula		6,000,000	Federal Special Revenue, Donations, Grants, and Higher Education Funds

Authority is granted to the department of administration in the indicated amount for the purpose of constructing new gallery space.

New Forestry Complex, UM-Missoula		20,000,000	Federal Special Revenue, Donations, Grants, and Higher Education Funds

Authority is granted to the department of administration in the indicated amount for the purpose of constructing the new forestry complex.

MBMG/Petroleum Building, UM-Tech, Butte		5,400,000	Federal Special Revenue, Donations, Grants, and Higher Education Funds

Authority is granted to the department of administration in the indicated amount for the purpose of constructing the MBMG/petroleum building.

Research Lab Facility, UM-Missoula		3,000,000	Federal Special Revenue, Donations, Grants, and Higher Education Funds

Authority is granted to the department of administration in the indicated amount for the purpose of constructing the research lab facility. Any increase in costs for the operations and maintenance of the research lab facility must be paid by the university of Montana with nonstate revenue.

Law Building ADA Improvements/Renovation/Expansion, UM-Missoula	500,000		

This state money augments $5,000,000 of existing authority for this project.

School of Journalism Building, UM-Missoula	500,000		

This state money augments $12,000,000 of existing authority for this project.

VisComm Black Box Theater, MSU-Bozeman	2,750,000	Federal Special Revenue, Donations, Grants, and Higher Education Funds

Authority is granted to the department of administration in the indicated amount for the purpose of constructing the new viscomm black box theater.

Animal Bioscience Building, MSU-Bozeman	7,500,000	Federal Special Revenue, Donations, Grants, and Higher Education Funds

Authority is granted to the department of administration in the indicated amount for the purpose of constructing the new animal bioscience building. This authority augments $5,000,000 of existing authority for this capital improvement.

Museum of the Rockies, MSU-Bozeman	12,000,000	Federal Special Revenue, Donations, Grants, and Higher Education Funds

Authority is granted to the department of administration in the indicated amount for the purpose of constructing improvements to the museum of the rockies.

Native American Student Center, MSU-Bozeman	8,000,000	Federal Special Revenue, Donations, Grants, and Higher Education Funds

Authority is granted to the department of administration in the indicated amount for the purpose of constructing the new Native American student center.

DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES

Facility Improvements, Montana State Hospital, Warm Springs	592,523	
Facility Improvements, Montana Developmental Center, Boulder	218,044	
Demolish Abandoned Buildings, Public Health and Human Services	1,741,250	
Stabilize Old Administration Building, Montana Developmental Center, Boulder	179,100	
Housing for High-Risk Behaviors	2,529,290	
Special Care Unit Renovations, Eastern Montana Veterans' Home, Glendive	475,000	State Special Revenue
Facility Renovation and Improvements, Montana Veterans' Home, Columbia Falls	465,000	State Special Revenue
Construct Chapel, Montana State Hospital, Warm Springs	350,000	Donations and Grants

Authority is granted to the department of administration in the indicated amount for the purpose of constructing the chapel at the Montana state hospital in Warm Springs.

DEPARTMENT OF TRANSPORTATION

Equipment Storage Buildings, Statewide	635,000	State Special Revenue
Chiller/Cooling Towers Replacement, Helena Headquarters	350,000	State Special Revenue
Office Addition, Billings	500,000	State Special Revenue

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Replace Clearwater Unit Fire Cache	248,750

OFFICE OF THE GOVERNOR

Historic and Cultural Properties
Interim Study 20,000

(2) (a) For the purpose of constructing a privately funded chapel at the Montana state hospital in Warm Springs, the department of administration may waive, in whole or in part, the requirements pertaining to:

(i) bidding and bonding for state building projects in Title 18;

(ii) labor requirements in Title 18; and

(iii) contractor registration in Title 39.

(b) The waiver pursuant to subsection (2)(a) may be exercised in the following circumstances:

(i) to obtain the volunteer services and donated materials from members of the public, civic organizations, and other entities;

(ii) to obtain the compensated services of contractors who are donating significant amounts of labor, time, and materials; and

(iii) to meet the terms and conditions for receipt of major sums of money from private or public funding sources, including individual donations.

(3) (a) For the purpose of selling the Jocko fish hatchery to the Confederated Salish and Kootenai tribes and in exchange for constructing and improving the fish hatchery at the Rose Creek hatchery, the department of fish, wildlife, and parks may waive, in whole or in part, the requirements pertaining to:

(i) public bids for land disposal in 87-1-209(3); and

(ii) the real property trust fund in 87-1-601.

(b) The waiver pursuant to subsection (3)(a) may be exercised only under the circumstances described in subsection (3)(a). The waiver does not affect the department's requirement to obtain full market value pursuant to Article X, section 11, of the Montana constitution."

Section 21. Appropriation. There is appropriated from the state general fund to the department of environmental quality for the 2009 biennium $3 million to be used to fund the costs of acquiring, constructing, and installing energy saving equipment, systems, and improvements in existing state buildings, structures, and facilities by the energy conservation program. The funds may be used only to fund projects for which the department of environmental quality determines that energy cost savings from the project will equal or exceed the costs of the project, including the costs of the investment-grade energy audit on and design of the project, within 15 years after installation or construction.

Section 22. Energy conservation repayment account. (1) There is an energy conservation repayment account in the state special revenue fund established in 17-2-102.

(2) There must be deposited in the energy conservation repayment account:

(a) the amount of energy costs saved as a result of the acquisition, installation, and construction of energy saving equipment, systems, or improvements in state buildings, facilities, or structures using general fund appropriations to the energy conservation program until total payments to the account for a project equal the cost of the project, including the cost of the investment grade energy audit on the project and the design of the project; and

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(b) interest earned on the account.

(3) Money in the energy conservation repayment account is available to the department of environmental quality by appropriation to fund the costs of the energy conservation program.

Section 23. Repealer. Section 8, Chapter 560, Laws of 2005, is repealed.

Section 24. Codification instruction. (1) [Sections 18 and 19] are intended to be codified as an integral part of Title 2, chapter 17, part 5, and the provisions of Title 2, chapter 17, part 5, apply to [sections 18 and 19].

(2) [Section 22] is intended to be codified as an integral part of Title 90, chapter 4, part 6, and the provisions of Title 90, chapter 4, part 6, apply to [section 22].

Section 25. Severability. If a part of [this act] is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

Section 26. Effective date. [This act] is effective on passage and approval.

Approved May 25, 2007

CHAPTER NO. 4

[HB 6]

AN ACT GENERALLY REVISING THE LAWS APPLICABLE TO THE LEGISLATURE AND LEGISLATORS; DEFINING MAJORITY LEADER, MAJORITY PARTY, MINORITY LEADER, AND MINORITY PARTY; PROVIDING OPTIONS FOR APPOINTING LEGISLATORS TO A COMMITTEE, SUBCOMMITTEE, OR OTHER ENTITY; AMENDING SECTIONS 2-2-135, 2-15-212, 2-15-246, 2-15-1019, 2-15-2110, 5-1-103, 5-2-221, 5-5-211, 5-11-101, 5-11-305, 5-12-202, 5-13-202, 5-16-101, 13-37-102, 53-2-1203, 53-10-203, AND 75-6-231, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE.

Be it enacted by the Legislature of the State of Montana:

Section 1. Terms relating to legislature. (1) Unless the context requires otherwise, the following definitions apply in the Montana Code Annotated:

(a) "Majority leader" means the leader of the majority party, elected by the caucus as provided in 5-2-221.

(b) "Majority party" means the party with the most members in a house of the legislature, subject to subsection (2).

(c) "Minority leader" means the leader of the minority party, elected by the caucus as provided in 5-2-221.

(d) "Minority party" means the party with the second most members in a house of the legislature, subject to subsection (2).

(2) If there are an equal number of members of each party in a house of the legislature, then the majority party is the party of the president of the senate or the speaker of the house and the minority party is the other party with an equal number of members.

Section 2. Appointments. (1) (a) Whenever a legislative appointing authority is required or authorized to appoint more than one legislative member of the majority party to a committee, subcommittee, or other statutorily recognized or authorized entity, the appointing authority may appoint a member of a party other than the majority party.

(b) Whenever a legislative appointing authority is required or authorized to appoint more than one legislative member of the minority party to a committee, subcommittee, other statutorily recognized or authorized entity, the appointing authority may, if requested by the minority leader, appoint a member of a party other than the minority party or majority party instead of a member of the minority party.

(2) (a) Whenever an elected state official, as defined in 5-7-102, is required or authorized to appoint more than one legislative member of the majority party to a statutorily recognized or authorized entity, the elected state official may, if requested by the senate president for a senate appointee or if requested by the speaker of the house for a house appointee, appoint a member of a party other than the majority party instead of a member of the majority party.

(b) Whenever an elected state official, as defined in 5-7-102, is required or authorized to appoint more than one legislative member of the minority party to a statutorily recognized or authorized entity, the elected state official may, if requested by the senate minority leader for a senate appointee or if requested by the house minority leader for a house appointee, appoint a member of a party other than the minority party or majority party instead of a member of the minority party.

(3) If a vacancy occurs in the membership of a committee, subcommittee, or statutorily recognized or authorized entity because of the resignation or disqualification of a member appointed under the provisions of subsection (1) or (2), the appointing authority authorized or required to make an appointment to fill the vacancy is subject to the provisions of subsections (1) and (2).

(4) If an individual appointed under subsection (1) or (2) is not a member of either the majority party or minority party and resigns from or is otherwise disqualified from serving, the appointing authority shall fill the vacancy under the provisions of subsection (1) or (2) as if the appointment were an initial appointment, and the appointing authority is not required to fill the vacancy with an individual who is a member of the same party of which the individual whose resignation or disqualification caused the vacancy.

Section 3. Section 2-2-135, MCA, is amended to read:

"2-2-135. Ethics committees. (1) Each house of the legislature shall establish an ethics committee. ~~The~~ *Subject to [section 2], the* committee must consist of two members of ~~each political~~ *the majority party and two members of the minority* party. The committees may meet jointly. Each committee shall educate members concerning the provisions of this part concerning legislators and may consider conflicts between public duty and private interest as provided in 2-2-112. The joint committee may consider matters affecting the entire legislature.

(2) Pursuant to Article V, section 10, of the Montana constitution, the legislature is responsible for enforcement of the provisions of this part concerning legislators."

Section 4. Section 2-15-212, MCA, is amended to read:

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"2-15-212. Reserved water rights compact commission. (1) There is created a reserved water rights compact commission. In negotiations, the commission is acting on behalf of the governor.

(2) ~~Commissioners~~ *Subject to [section 2], commissioners* are appointed as follows:

(a) two members of the house of representatives appointed by the speaker, ~~each from a different political~~ *one from the majority party and one from the minority* party;

(b) two members of the senate appointed by the president, ~~each from a different political~~ *one from the majority party and one from the minority* party;

(c) four members designated by the governor; and

(d) one member designated by the attorney general.

(3) Legislative members of the commission are entitled to receive compensation and expenses as provided in 5-2-301 for each day actually spent on commission business. Other members are entitled to salary and expenses as state employees.

(4) The commission is attached to the department of natural resources and conservation for administrative purposes only, as prescribed in 2-15-121, unless inconsistent with the provisions of Title 85, chapter 2, part 7. A sufficient and appropriate staff must be assigned to serve the commission within the budget established by the legislature. The commission staff is a principal unit within the department, and the commission shall direct and assign the staff.

(5) Members are appointed for 4-year terms and may be reappointed. A legislative member position is vacant if the person no longer serves in the legislature. The position of a member appointed by the governor or attorney general is vacant if that person is elected to the legislature. A vacancy must be filled in the manner of the original appointment."

Section 5. Section 2-15-246, MCA, is amended to read:

"2-15-246. Rail service competition council. (1) There is a rail service competition council consisting of the following members:

(a) the director of the department of agriculture provided for in 2-15-3001;

(b) the director of the department of transportation provided for in 2-15-2501;

(c) the director of the department of revenue provided for in 2-15-1301;

(d) the chief business development officer of the office of economic development provided for in 2-15-218;

(e) six people appointed by the governor with the following qualifications:

(i) one person with substantial knowledge and experience related to Class I railroads;

(ii) one person with substantial knowledge and experience related to Class II railroads;

(iii) one person who is a farm commodity producer in the state of Montana and who has substantial knowledge and experience related to transportation of farm commodities;

(iv) one person with substantial knowledge and experience in the trucking industry in the state of Montana;

(v) one person with substantial knowledge and experience related to transportation for the mineral industry in the state of Montana; and

(vi) one person with substantial knowledge and experience related to transportation for the wood products industry in the state of Montana; and

(f) *subject to [section 2],* two members, one from ~~each political~~ *the majority party and one from the minority* party and one from each house of the legislature, from the economic affairs interim committee established in 5-5-223, selected by the presiding officer of the economic affairs interim committee with the concurrence of the vice presiding officer.

(2) The rail service competition council shall perform the following duties:

(a) promote rail service competition in the state of Montana that results in reliable and adequate service at reasonable rates;

(b) develop a comprehensive and coordinated plan to increase rail service competition in the state of Montana;

(c) reevaluate the state's railroad taxation practices to ensure reasonable competition while minimizing any transfer of tax burden. The reevaluation of the state's railroad taxation practices should include but is not limited to a reevaluation of property taxes, taxes that minimize highway damage, special fuel taxes, and corporate tax rates.

(d) develop various means to assist Montanans impacted by high rates and poor rail service;

(e) analyze the feasibility of developing legal structures to facilitate growth of producer transportation investment cooperatives and rural transportation infrastructure authorities;

(f) provide advice and recommendations to the department of transportation on the department's activities under 60-11-113 through 60-11-116;

(g) coordinate efforts and develop cooperative partnerships with other states and federal agencies to promote rail service competition; and

(h) act as the state's liaison in working with Class I railroads to promote rail service competition.

(3) The council shall cooperate with and report to any standing or interim legislative committee that is assigned to study or has oversight duties for rail service competition issues.

(4) The council must be compensated, reimbursed, and otherwise governed by the provisions of 2-15-122.

(5) The council is attached for administrative purposes only to the governor's office, which may assist the council by providing staff and budgetary, administrative, and clerical services that the council or its presiding officer requests.

(6) Staffing and other resources may be provided to the council only from state and nonstate resources donated to the council and from direct appropriations by each legislature."

Section 6. Section 2-15-1019, MCA, is amended to read:

"2-15-1019. Board of directors of state compensation insurance fund — legislative liaisons. (1) There is a board of directors of the state compensation insurance fund.

(2) The board is allocated to the department for administrative purposes only as prescribed in 2-15-121. However, the board may employ its own staff.

(3) The board may provide for its own office space and the office space of the state fund.

(4) The board consists of seven members appointed by the governor. The executive director of the state fund is an ex officio nonvoting member.

(5) At least four of the seven members shall represent state fund policyholders and may be employees of state fund policyholders. At least four members of the board shall represent private, for-profit enterprises. One of the seven members may be a licensed insurance producer. A member of the board may not:

(a) except for the licensed insurance producer member, represent or be an employee of an insurance company that is licensed to transact workers' compensation insurance under compensation plan No. 2; or

(b) be an employee of a self-insured employer under compensation plan No. 1.

(6) A member is appointed for a term of 4 years. The terms of board members must be staggered. A member of the board may serve no more than two 4-year terms. A member shall hold office until a successor is appointed and qualified.

(7) The members must be appointed and compensated in the same manner as members of a quasi-judicial board as provided in 2-15-124, except that the requirement that at least one member be an attorney does not apply.

(8) There must be two legislative liaisons to the board consisting of members of the economic affairs interim committee provided for in 5-5-223. ~~The~~ *Subject to [section 2], the* presiding officer of the economic affairs interim committee shall appoint the liaisons from ~~two separate political parties~~ *the majority party and the minority party* at the first interim committee meeting.

(9) Legislative liaisons shall serve from appointment through each even-numbered calendar year.

(10) A legislative liaison may:

(a) attend board meetings; and

(b) receive board meeting agendas and information relating to agenda items from the staff of the state fund.

(11) Legislative liaisons appointed pursuant to subsection (8) are entitled to compensation and expenses, as provided in 5-2-302, to be paid by the economic affairs interim committee."

Section 7. Section 2-15-2110, MCA, is amended to read:

"2-15-2110. Small business compliance assistance advisory council. (1) There is a small business compliance assistance advisory council.

(2) The council consists of seven members, as follows:

(a) two members that are not owners or representatives of owners of small business stationary sources, appointed by the governor to represent the general public;

(b) four members that are owners or representatives of owners of small business stationary sources and who are not legislators, one to be appointed by the majority *leader* and minority ~~leadership~~ *leader* of the house of

representatives and one to be appointed by the majority *leader* and minority ~~leadership~~ *leader* of the senate; and

(c) one member that is a representative of the department of environmental quality, appointed by the director of that department.

(3) Appointed members shall serve for terms of 3 years.

(4) The provisions of 2-15-122(5) through (8) apply to the council and its members."

Section 8. Section 5-1-103, MCA, is amended to read:

"5-1-103. Vacancy on commission. (1) ~~In the event~~ *If* a vacancy occurs on the commission, the appointing authority of the vacated seat shall designate a successor.

(2) ~~In the event~~ *If* the appointing authority at the time a vacancy occurs is of ~~the opposite~~ *a different* political party than that of the appointing authority that made the appointment that is vacant, the majority *leader* or minority leader of the same political party as the appointing authority that made the original appointment of the commissioner whose position is vacated shall designate the successor."

Section 9. Section 5-2-221, MCA, is amended to read:

"5-2-221. Officers and employees of the senate and house of representatives. (1) The officers of the senate include a president, a president pro tempore, a majority ~~floor~~ leader, a minority ~~floor~~ leader, a majority whip, and a minority whip.

(2) The officers of the house of representatives include a speaker, a speaker pro tempore, a majority ~~floor~~ leader, a minority ~~floor~~ leader, a majority whip, and a minority whip.

(3) The president and president pro tempore of the senate and the speaker and speaker pro tempore of the house ~~shall~~ *must* be elected by the house of which they are a member.

(4) The majority ~~floor~~ leader, minority ~~floor~~ leader, majority whip, and minority whip of the senate and house ~~shall~~ *must* be elected by their respective caucuses.

(5) A secretary of the senate, sergeant at arms, and chaplain ~~shall~~ *must* be appointed by the president subject to confirmation by the senate, and a chief clerk of the house, sergeant at arms, and chaplain ~~shall~~ *must* be appointed by the speaker subject to confirmation by the house."

Section 10. Section 5-5-211, MCA, is amended to read:

"5-5-211. Appointment and composition of interim committees. (1) Senate interim committee members must be appointed by the committee on committees.

(2) House interim committee members must be appointed by the speaker of the house.

(3) Appointments to interim committees must be made by the time of adjournment of the legislative session.

(4) A legislator may not serve on more than two interim committees unless no other legislator is available or is willing to serve.

(5) (a) Subject to *[section 2] and* subsection (5)(b) *of this section*, the composition of each interim committee must be as follows:

(i) four members of the house, ~~no more than~~ two ~~of whom may be of one political~~ *from the majority party and two from the minority* party; and

(ii) four members of the senate, ~~no more than~~ two ~~of whom may be of one political~~ *from the majority party and two from the minority* party.

(b) If the committee workload requires, the legislative council may request the appointing authority to appoint one or two additional interim committee members from ~~each political~~ *the majority party and the minority* party.

(6) The membership of the interim committees must be provided for by legislative rules. The rules must identify the committees from which members are selected, and the appointing authority shall attempt to select not less than 50% of the members from the standing committees that consider issues within the jurisdiction of the interim committee. In making the appointments, the appointing authority shall take into account term limits of members so that committee members will be available to follow through on committee activities and recommendations in the next legislative session.

(7) An interim committee or the environmental quality council may create subcommittees. Nonlegislative members may serve on a subcommittee. Unless the person is a full-time salaried officer or employee of the state or a political subdivision of the state, a nonlegislative member appointed to a subcommittee is entitled to salary and expenses to the same extent as a legislative member. If the appointee is a full-time salaried officer or employee of the state or of a political subdivision of the state, the appointee is entitled to reimbursement for travel expenses as provided for in 2-18-501 through 2-18-503."

Section 11. Section 5-11-101, MCA, is amended to read:

"5-11-101. Appointment and composition of council. (1) There is a legislative council. Subject to subsection ~~(3)~~ *(2)*, the legislative council consists of:

(a) the speaker of the house, the minority leader of the house, and, *subject to [section 2],* four members chosen by the speaker of the house, ~~no more than~~ two ~~of whom may be of the same political~~ *from the majority party and two from the minority* party; and

(b) the president of the senate, the minority leader of the senate, and, *subject to [section 2],* four members chosen by the committee on committees, ~~no more than~~ two ~~of whom may be of the same political~~ *from the majority party and two from the minority* party.

~~(2) No more than three members of each house may be of the same political party.~~

~~(3)~~*(2)* If a legislator is or would be a member of the legislative council by virtue of a legislative leadership position and the legislator will not serve in the following legislative session because of term limits, the legislator may designate another member of the same house and the same political party to serve on the legislative council in the legislator's place."

Section 12. Section 5-11-305, MCA, is amended to read:

"5-11-305. Legislative council appointments to interstate, international, and intergovernmental entities. (1) Unless otherwise provided by law, the legislative council shall appoint legislators to serve as

members of appropriate interstate, international, and intergovernmental entities.

(2) The president of the senate, the speaker of the house, the minority leader of the senate, and the minority leader of the house may recommend nominees for the legislative council's consideration in making appointments to interstate, international, and intergovernmental entities.

(3) If the legislative council appoints more than one legislator to participate as a member in an interstate, international, or intergovernmental entity, ~~no more than 50% of~~ the number of legislators appointed ~~may be~~ from ~~one political~~ *the majority party and the minority* party *must be equal.*

(4) If funds are available that the legislative council has the authority to expend, the legislative council, as the appropriate funding authority, may authorize that a legislator appointed as a member to an interstate, international, or intergovernmental entity be compensated, as provided in 5-2-302, for salary and expenses associated with participating in an entity-sponsored activity.

(5) If a vacancy occurs in membership to an interstate, international, or intergovernmental entity, appointment to fill the vacancy must be made in the same manner as the original appointment.

(6) The legislative council shall make appointments to any policy committee established by the Pacific Northwest economic region as provided in 5-11-707(2)."

Section 13. Section 5-12-202, MCA, is amended to read:

"5-12-202. Appointment of members. (1) The legislative finance committee consists of:

(a) four members of the senate finance and claims committee appointed by the ~~chairman~~ *presiding officer*;

(b) *subject to [section 2],* two members of the senate appointed at large by the committee on committees;

(c) four members of the house of representatives appropriations committee appointed by the ~~chairman~~ *presiding officer*; and

(d) *subject to [section 2],* two members of the house appointed at large by the speaker.

(2) These members ~~shall~~ *must* be appointed before the end of each legislative session. ~~No more than three~~ *Three* members of each house, two committee members and one at-large member, ~~may~~ *must* be from the ~~same political~~ *majority party and the other three members appointed from that house must be from the minority* party."

Section 14. Section 5-13-202, MCA, is amended to read:

"5-13-202. Appointment and term of members — officers — vacancies. (1) The legislative audit committee consists of six members of the senate and six members of the house of representatives appointed before the end of each regular session in the same manner as standing committees of the respective houses are appointed. ~~No more than three~~ *Subject to [section 2], three* of the appointees of each house ~~may~~ *must* be members of the ~~same political~~ *majority party and three of the appointees of each house must be members of the minority* party.

(2) A member of the committee shall serve until the member's term of office as a legislator ends or until a successor is appointed, whichever occurs first.

(3) The committee shall elect one of its members as presiding officer and other officers as it considers necessary.

(4) A vacancy on the committee occurring when the legislature is not in session ~~shall~~ *must* be filled by the selection of a member of the legislature by the remaining members of the committee. If there is a vacancy on the committee at the beginning of a legislative session because a member's term of office as a legislator has ended, a member of the same political party must be appointed in the same manner as the original appointment, no later than the 10th legislative day, to serve until a successor is appointed under subsection (1)."

Section 15. Section 5-16-101, MCA, is amended to read:

"5-16-101. Appointment and composition. The environmental quality council consists of 17 members as follows:

(1) the governor or the governor's designated representative is an ex officio member of the council and shall participate in council meetings as a nonvoting member;

(2) six members of the senate and six members of the house of representatives appointed before the 50th legislative day in the same manner as standing committees of the respective houses are appointed. ~~No more than three~~ *Subject to [section 2], three* of the appointees of each house ~~may~~ *must* be members of the ~~same political~~ *majority party and three appointees of each house must be members of the minority* party.

(3) four members of the general public. Two public members must be appointed by the speaker of the house with the consent of the house minority leader, and two must be appointed by the president of the senate with the consent of the senate minority leader."

Section 16. Section 13-37-102, MCA, is amended to read:

"13-37-102. Creation of office — removal. (1) There is a commissioner of political practices who is appointed by the governor, subject to confirmation by a majority of the senate. A four-member selection committee composed of the speaker of the house, the president of the senate, and the minority ~~floor~~ leaders of both houses of the legislature shall submit to the governor a list of not less than two or more than five names of individuals for the governor's consideration. A majority of the members of the selection committee shall agree upon each nomination.

(2) The individual selected to serve as commissioner may be removed by the governor prior to the expiration of the term only for incompetence, malfeasance, or neglect of duty. The governor's decision to remove the commissioner must be stated in writing, and the sufficiency of the governor's stated causes for removing the commissioner is subject to judicial review."

Section 17. Section 53-2-1203, MCA, is amended to read:

"53-2-1203. State workforce investment board — membership — duties. (1) There is a state workforce investment board.

(2) The state board consists of:

(a) the governor or a person designated by the governor to act on behalf of the governor;

(b) *subject to [section 2],* two members of the house of representatives, ~~each~~ *one* from ~~a different political~~ *the majority party and one from the minority* party, and two members of the senate, ~~each~~ *one* from ~~a different political~~ *the majority party and one from the minority* party, appointed by the presiding officer of each respective chamber; and

(c) individuals appointed by the governor, including:

(i) representatives of businesses located in Montana who:

(A) are owners of businesses, chief executive or operating officers, and other business executives or employers with optimum policymaking or hiring authority, including business members of local boards; and

(B) represent businesses with employment opportunities that reflect the employment opportunities in Montana;

(ii) chief elected officials of local government;

(iii) representatives of labor organizations;

(iv) representatives of individuals and organizations who have experience with respect to youth activities;

(v) representatives of individuals and organizations who have experience and expertise in the delivery of workforce investment activities;

(vi) representatives of the state agencies who are responsible for the programs and activities that are carried out by the one-stop centers, including but not limited to:

(A) the department of labor and industry;

(B) the department of public health and human services;

(C) the office of the commissioner of higher education; and

(D) the office of public instruction; and

(vii) other representatives that the governor may designate.

(3) The selection and appointment of members of the state board must follow the nominating provisions of section 111 of the Act (29 U.S.C. 2821).

(4) The governor shall appoint enough individuals described in subsection (2)(c)(i) so that those persons compose a majority of the membership of the state board.

(5) The governor shall consider the special needs of Montana's hard-to-serve Indian population and the state's relationship with tribal governments when making appointments to the state board.

(6) The state board shall perform the functions described in section 111 of the Act (29 U.S.C. 2821)."

Section 18. Section 53-10-203, MCA, is amended to read:

"53-10-203. Commission on provider rates and services. (1) The department shall form an advisory commission to be known as the commission on provider rates and services to provide information to the department concerning provider services, costs, and reimbursement rates. The commission membership must include a maximum of 15 individuals representing providers, consumers of provider services, and family members of consumers and is as follows:

(a) at least three providers;

(b) at least three of a combination of consumers of provider services and family members of consumers;

(c) two employees of the department;

(d) one representative from the legislative fiscal division;

(e) one representative from the governor's office on budget and program planning;

(f) *subject to [section 2],* one member ~~of each~~ of the ~~two major political parties~~ *majority party and one member of the minority party* of the house of representatives; and

(g) *subject to [section 2],* one member ~~of each~~ of the ~~two major political parties~~ *majority party and one member of the minority party* of the senate.

(2) Except as provided in this section, the commission is subject to the provisions of 2-15-122.

(3) Except as provided in this section, members shall serve for a term of 2 years and may be reappointed by the appointing authority for one additional term. A member appointed to fill an unexpired term may be appointed for an additional two terms. The appointing authority shall stagger the first terms of the first board to terms of 2 to 4 years. Members appointed to represent state departments, offices, or other state bodies may be appointed and reappointed as the department determines necessary.

(4) The commission shall elect a presiding officer and vice presiding officer and by vote determine its rules of operation. The commission shall meet at the call of the presiding officer, who shall determine meeting times in consultation with the department.

(5) The commission is allocated to the department for administrative purposes only as provided in 2-15-121."

Section 19. Section 75-6-231, MCA, is amended to read:

"75-6-231. Intended use plan — advisory committee. (1) The department shall prepare an annual intended use plan for the state that meets the requirements of section 300j-12(b) of the federal act, ~~(~~42 U.S.C. 300j-12(b)~~)~~.

(2) The intended use plan must include:

(a) a list of projects in the state that are eligible for assistance, including both the priority assigned to each project based on public health needs and on the financial needs of the project and, to the extent known, the expected funding schedule for each project; and

(b) a description of the funds to be allocated to activities under 75-6-212 and 75-6-221(2) and funds to be transferred to or received by the water pollution control state revolving fund, as allowed in 75-6-211(5), for the annual fiscal period following publication of the intended use plan.

(3) Before finalizing an intended use plan, the department shall prepare a draft document containing the information required in subsection (2) and shall provide public notice and opportunity to comment on the draft document.

(4) (a) Following the public comment period provided for in subsection (3) and any department modifications to the intended use plan resulting from the public comment, a summary of the public comment and the intended use plan must be presented for review, comment, and recommendations to an advisory committee formed by the department and consisting of six individuals from the

following entities appointed by their respective presiding officers, directors, or executive officials:

(i) one member from the Montana league of cities and towns;

(ii) one member from the Montana association of counties;

(iii) one member from the department of natural resources and conservation;

(iv) one member from the department of environmental quality; and

(v) two members from the legislature. One member must be from the house of representatives and one from the senate, and *subject to [section 2],* ~~they may not represent~~ *one must be from* the ~~same political~~ *majority party and one must be from the minority* party.

(b) The advisory committee is attached to the department for administrative purposes only.

(5) The department shall address in writing any comments and recommendations provided by the advisory committee provided for in subsection (4) before finalizing an intended use plan and prior to awarding any contracts under 75-6-212(1)(g)."

Section 20. Codification instruction. (1) [Section 1] is intended to be codified as an integral part of Title 1, chapter 1, part 2, and the provisions of Title 1, chapter 1, part 2, apply to [section 1].

(2) [Section 2] is intended to be codified as an integral part of Title 5, chapter 5, part 2, and the provisions of Title 5, chapter 5, part 2, apply to [section 2].

Section 21. Effective date. [This act] is effective on passage and approval.

Section 22. Retroactive applicability. [This act] applies retroactively, within the meaning of 1-2-109, to appointments made for members of the 60th legislature.

Approved May 25, 2007

CHAPTER NO. 5

[HB 2]

AN ACT APPROPRIATING MONEY TO VARIOUS STATE AGENCIES FOR THE BIENNIUM ENDING JUNE 30, 2009; AND PROVIDING AN EFFECTIVE DATE.

Be it enacted by the Legislature of the State of Montana:

Section 1. Short title. [This act] may be cited as "The General Appropriations Act of 2007".

Section 2. First level expenditures. The agency and program appropriation tables in the legislative fiscal analyst narrative accompanying this bill, showing first level expenditures and funding for the 2009 biennium, are adopted as legislative intent.

Section 3. Severability. If any section, subsection, sentence, clause, or phrase of [this act] is for any reason held unconstitutional, the decision does not affect the validity of the remaining portions of [this act].

Section 4. Appropriation control. An appropriation item designated "Biennial" may be spent in either year of the biennium. An appropriation item

designated "Restricted" may be used during the biennium only for the purpose designated by its title and as presented to the legislature. An appropriation item designated "One Time Only" or "OTO" may not be included in the present law base for the 2011 biennium. The office of budget and program planning shall establish a separate appropriation on the statewide accounting, budgeting, and human resource system for any item designated "Biennial", "Restricted", "One Time Only", or "OTO". The office of budget and program planning shall establish at least one appropriation on the statewide accounting, budgeting, and human resource system for any appropriation that appears as a separate line item in [this act].

Section 5. Program definition. As used in [this act], "program" has the same meaning as defined in 17-7-102, is consistent with the management and accountability structure established on the statewide accounting, budgeting, and human resource system, and is identified as a major subdivision of an agency ordinally numbered with an Arabic numeral.

Section 6. Personal services funding — 2011 biennium. (1) Except as provided in subsection (2), present law and new proposal funding budget requests for the 2011 biennium submitted under Title 17, chapter 7, part 1, by each executive, judicial, and legislative branch agency must include funding of first level personal services separate from funding of other expenditures. The funding of first level personal services by accounting entity or equivalent for each fiscal year must be shown at the fourth reporting level or equivalent in the budget request for the 2011 biennium submitted by October 30 to the legislative fiscal analyst by the office of budget and program planning.

(2) The provisions of subsection (1) do not apply to the Montana university system.

Section 7. Totals not appropriations. The totals shown in [this act] are for informational purposes only and are not appropriations.

Section 8. Effective date. [This act] is effective July 1, 2007.

Section 9. Appropriations. The following money is appropriated for the respective fiscal years:

Fiscal 2008						Fiscal 2009					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
A. GENERAL GOVERNMENT AND TRANSPORTATION											
LEGISLATIVE BRANCH (1104)											
1. Legislative Services (20) (Biennial)											
5,425,156	864,666	0	0	0	6,289,822	5,696,835	337,059	0	0	0	6,033,894
a. Technology Allowance for Legislators (Biennial)											
75,000	0	0	0	0	75,000	0	0	0	0	0	0
b. TVMT (Restricted/Biennial/OTO)											
200,000	0	0	0	0	200,000	0	0	0	0	0	0
2. Legislative Committees and Activities (21) (Biennial)											
610,825	0	0	0	0	610,825	383,648	0	0	0	0	383,648
a. Interim Study on Mental Health (Biennial/OTO)											
200,000	0	0	0	0	200,000	0	0	0	0	0	0
3. Fiscal Analysis and Review (27) (Biennial)											
1,461,210	0	0	0	0	1,461,210	1,506,824	0	0	0	0	1,506,824
a. Government Performance Training (Restricted/Biennial/OTO)											
18,900	0	0	0	0	18,900	0	0	0	0	0	0
4. Audit and Examination (28) (Biennial)											
2,169,731	1,650,570	0	0	0	3,820,301	2,249,562	1,579,822	0	0	0	3,829,384
Total											
10,160,822	2,515,236	0	0	0	12,676,058	9,836,869	1,916,881	0	0	0	11,753,750
CONSUMER COUNSEL (1112)											
1. Administration Program (01)											
0	1,236,461	0	0	0	1,236,461	0	1,250,977	0	0	0	1,250,977
a. Contingency Reserve (Restricted)											
0	250,000	0	0	0	250,000	0	250,000	0	0	0	250,000

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	Fiscal 2008					Fiscal 2009				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
Total											
0	1,486,461	0	0	0	1,486,461	0	1,500,977	0	0	0	1,500,977
JUDICIARY (2110)											
1. Supreme Court Operations (01)											
7,792,574	110,042	125,380	0	0	8,027,996	7,902,444	110,042	125,879	0	0	8,138,365
a. Legislative Audit (Restricted/Biennial)											
44,288	0	0	0	0	44,288	0	0	0	0	0	0
b. Drug Treatment Courts (Restricted/Biennial)											
597,500	0	0	0	0	597,500	747,500	0	0	0	0	747,500
~~c. Report on Progress Toward Measurable Goals and Objectives (Restricted/OTO)~~											
~~2,500~~	~~0~~	~~0~~	~~0~~	~~0~~	~~2,500~~	~~2,500~~	~~0~~	~~0~~	~~0~~	~~0~~	~~2,500~~
d. Self-Help Law Program (Restricted/Biennial/OTO)											
252,500	0	0	0	0	252,500	252,500	0	0	0	0	252,500
2. Boards and Commissions (02)											
254,673	25,006	0	0	0	279,679	255,080	25,006	0	0	0	280,086
a. Judicial Standards (Restricted/Biennial)											
25,000	0	0	0	0	25,000	0	0	0	0	0	0
3. Law Library (03)											
846,721	0	0	0	0	846,721	870,328	0	0	0	0	870,328
4. District Court Operations (04)											
22,917,999	253,447	0	0	0	23,171,446	23,052,167	253,447	0	0	0	23,305,614
a. District Court Safety and Security (OTO)											
300,000	0	0	0	0	300,000	0	0	0	0	0	0
5. Water Courts Supervision (05)											
0	1,383,541	0	0	0	1,383,541	0	1,386,782	0	0	0	1,386,782
6. Clerk of Court (06)											

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Fiscal 2008						Fiscal 2009					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
417,922	0	0	0	0	417,922	419,705	0	0	0	0	419,705
Total											
33,451,677	1,772,036	125,380	0	0	35,349,093	33,502,224	1,775,277	125,879	0	0	35,403,380

Funds in Drug Treatment Courts may be used only to provide grants to drug treatment courts and for up to one full-time administrator, ongoing review of the operations of drug treatment courts, and the development of policies necessary to administer the provision of grants to drug treatment courts. ~~Funding includes $2,500 a year for the preparation of reports to the legislative finance committee on the program's measurable goals and objectives and achievement of those goals and objectives. If reports are not received by the legislative finance committee by December 31, 2007, and June 30, 2008, the fiscal year 2009 appropriation is reduced by $2,500.~~

~~Report on Progress Toward Measurable Goals and Objectives is funding for a semiannual report to the legislative finance committee of the following:~~

~~(1) progress toward the goals presented to the 2007 legislature in the agency's template; and~~

~~(2) attainment of measurable objectives as outlined in the agency's template presented to the 2007 legislature.~~

~~If the reports are not received by the legislative finance committee by December 31, 2007, and June 30, 2008, the fiscal year 2009 appropriation is void.~~

Funds in Self-Help Law Program may be used only to provide and support the development, maintenance, and availability of self-help legal forms and instructions regarding civil legal proceedings in Montana's courts; the development of curriculum and materials suitable for classes and clinics about civil legal proceedings and forms; the development, updating, and provision of information and training materials for judges, clerks of court, other court officers, judicial branch employees, and volunteers about self-help legal resources and how to assist self-represented litigants in a manner that is impartial, facilitates effective and efficient court operations, and does not constitute providing direct legal representation; the establishment and maintenance of multimedia materials that provide information about Montana's civil laws, courts, rules, legal forms, and available legal resources; coordination, recruitment, and training of volunteer attorneys to provide legal advice and direct legal representation to persons with civil legal needs who are unable to pay for those services; and coordination and cooperation with other access to justice efforts.

GOVERNOR'S OFFICE (3101)

1. Executive Office Program (01)											
2,188,748	0	0	0	0	2,188,748	2,201,741	0	0	0	0	2,201,741
a. Marketing Montana and Business Recruitment (Biennial)											
300,000	0	0	0	0	300,000	300,000	0	0	0	0	300,000

~~b. Agency's Goals and Objectives Reporting (Restricted)~~

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Fiscal 2008						Fiscal 2009					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
~~2,500~~	~~0~~	~~0~~	~~0~~	~~0~~	~~2,500~~	~~2,500~~	~~0~~	~~0~~	~~0~~	~~0~~	~~2,500~~
2. Executive Residence Operations (02)											
94,461	0	0	0	0	94,461	95,191	0	0	0	0	95,191
a. Reauthorize Governor's Residence (OTO)											
25,000	0	0	0	0	25,000	25,000	0	0	0	0	25,000
3. Air Transportation Program (03)											
289,072	6,800	0	0	0	295,872	289,557	6,800	0	0	0	296,357
a. Aircraft Engine Purchase (Restricted/OTO)											
0	0	0	0	0	0	630,000	0	0	0	0	630,000
4. Office of Budget and Program Planning (04)											
1,525,167	0	0	0	0	1,525,167	1,546,586	0	0	0	0	1,546,586
a. Legislative Audit (Restricted/Biennial)											
15,817	0	0	0	0	15,817	0	0	0	0	0	0
5. Indian Affairs (05)											
152,006	0	0	0	0	152,006	152,528	0	0	0	0	152,528
6. Centralized Services (06)											
269,271	0	0	0	0	269,271	270,148	0	0	0	0	270,148
a. Legislative Audit (Restricted/Biennial)											
34,798	0	0	0	0	34,798	0	0	0	0	0	0
b. Computer Replacement (Restricted/OTO)											
17,100	0	0	0	0	17,100	35,800	0	0	0	0	35,800
7. Lieutenant Governor (12)											
322,088	0	0	0	0	322,088	323,579	0	0	0	0	323,579
8. Citizens' Advocate Office (16)											
68,675	21,000	0	0	0	89,675	68,844	21,000	0	0	0	89,844
9. Mental Disabilities Board of Visitors (20)											
352,452	0	0	0	0	352,452	354,074	0	0	0	0	354,074

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	Fiscal 2008					Fiscal 2009				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
Total											
5,657,155	27,800	0	0	0	5,684,955	6,295,548	27,800	0	0	0	6,323,348

~~Agency's Goals and Objectives Reporting provides funding for a report to the legislative finance committee relevant to:~~

~~(1) progress from July 1, 2007, through May 1, 2008, toward the goals of creating 1,160 new jobs over the 2009 biennium, 12 out-of-state visitations each year, 2 overseas visits each year, and creating 3 Montana ambassador satellite units each year through the marketing Montana and business recruitment program;~~

~~(2) progress from July 1, 2007, through May 1, 2008, toward the goal of achieving 30% more businesses operating in Montana in each of the cluster areas, including life sciences, information technology, creative enterprise, aerospace, agri-food, and wood-based products, through the office of economic development;~~

~~(3) progress from July 1, 2007, through May 1, 2008, toward the goals of meeting once each month with each of the seven recognized tribal governments in Montana, identifying issues for legislative consideration in the 2009 session, such as unemployment and dropout rates for Native Americans, and endeavoring to resolve the class III gaming dispute with affected tribal governments by June 30, 2009, through the coordinator of Indian affairs.~~

~~If the reports are not received by the legislative finance committee by June 30, 2008, the fiscal year 2009 appropriation is void.~~

SECRETARY OF STATE (3201)

1. Business and Government Services (01)

a. Help America Vote Act (Restricted/Biennial/OTO)

0	0	1,040,000	0	0	1,040,000	0	0	0	0	0	0
Total											
0	0	1,040,000	0	0	1,040,000	0	0	0	0	0	0

COMMISSIONER OF POLITICAL PRACTICES (3202)

1. Administration (01)

341,548	0	0	0	0	341,548	343,411	0	0	0	0	343,411

a. Legislative Audit (Restricted/Biennial)

6,960	0	0	0	0	6,960	0	0	0	0	0	0

b. Online Lobbyist and Candidate Registration and Filing (Restricted/Biennial/OTO)

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Fiscal 2008						Fiscal 2009					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
123,338	0	0	0	0	123,338	46,575	0	0	0	0	46,575
c. Campaign Violation Investigator Reporting (Restricted)											
58,852	0	0	0	0	58,852	59,199	0	0	0	0	59,199
d. Additional Legal Costs (OTO)											
77,500	0	0	0	0	77,500	77,500	0	0	0	0	77,500
e. Constituent Services Account											
5,300	0	0	0	0	5,300	21,000	0	0	0	0	21,000
f. Broadcast Campaign Advertising Material and Affidavit											
4,400	0	0	0	0	4,400	0	0	0	0	0	0
Total											
617,898	0	0	0	0	617,898	547,685	0	0	0	0	547,685

~~Online Lobbyist and Candidate Registration and Filing includes $100 in general fund money in each fiscal year for an annual report to the legislative finance committee for the following:~~

~~(1) progress toward the goals of easy-to-use electronic filing for candidates, committees, lobbyists, and principals, providing a convenient method for the public to access this data, and reduction of errors in the reports filed with the commissioner of political practices from July 1, 2007, through May 1, 2008; and~~

~~(2) attainment of the performance criteria as outlined in the project charter and timeline presented to the joint appropriations subcommittee on general government and transportation from July 1, 2007, through May 1, 2008.~~

~~If the report is not received by the legislative finance committee by June 30, 2008, the fiscal year 2009 general fund appropriation is reduced by $100.~~

Constituent Services Account funding is contingent upon passage and approval of House Bill No. 462 of the 2007 regular session.

OFFICE OF THE STATE AUDITOR (3401)

1. Central Management (01)											
0	636,773	0	0	0	636,773	0	640,132	0	0	0	640,132
a. Legislative Audit (Restricted/Biennial)											
0	6,580	0	0	0	6,580	0	0	0	0	0	0

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	Fiscal 2008						Fiscal 2009					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
~~b. Agency's Goals and Objectives Reporting (Restricted)~~												
~~2,500~~	~~0~~	~~0~~	~~0~~	~~0~~	~~2,500~~	~~2,500~~	~~0~~	~~0~~	~~0~~	~~0~~	~~2,500~~	
2. Insurance Program (03)												
	0	3,241,591	0	0	0	3,241,591	0	3,258,747	0	0	0	3,258,747
a. Legislative Audit (Restricted/Biennial)												
	0	27,553	0	0	0	27,553	0	0	0	0	0	0
b. Insurance Contract Examinations (Restricted)												
	0	334,995	0	0	0	334,995	0	357,330	0	0	0	357,330
c. Insure Montana (Reporting)												
	0	10,921,329	0	0	0	10,921,329	0	10,924,619	0	0	0	10,924,619
d. Captive Insurance Program (Restricted)												
	0	60,300	0	0	0	60,300	0	56,940	0	0	0	56,940
e. MCHA (Restricted)												
	0	824,173	0	0	0	824,173	0	925,614	0	0	0	925,614
3. Securities (04)												
	0	725,683	0	0	0	725,683	0	729,037	0	0	0	729,037
a. Legislative Audit (Restricted/Biennial)												
	0	6,991	0	0	0	6,991	0	0	0	0	0	0
b. Securities Contract Examinations (Restricted)												
	0	80,000	0	0	0	80,000	0	80,500	0	0	0	80,500
Total												
	2,500	16,865,968	0	0	0	16,868,468	2,500	16,972,919	0	0	0	16,975,419

~~Agency's Goals and Objectives Reporting provides funding for a report to the legislative finance committee relevant to goals presented to the appropriations subcommittee on general government and transportation of the 2007 legislature in the agency's and programs' templates and the decision package narratives presented in the legislative budget analysis 2009 biennium for present law decision package 5. The report must address the following:~~

~~(1) progress toward the goals; and~~

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	Fiscal 2008						Fiscal 2009					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
~~(2) measurable objectives that will be used to measure the goals.~~											

~~If the reports are not received by the legislative finance committee by August 15, 2007, and June 30, 2008, the fiscal year 2009 appropriation is void.~~

Captive Insurance Program funding may be used only when the number of captive insurance companies registered with the office of the state auditor reaches 30.

DEPARTMENT OF TRANSPORTATION (5401)

1. General Operations Program (01) (Biennial)											
0	21,586,371	1,595,405	0	0	23,181,776	0	22,354,124	1,595,442	0	0	23,949,566
a. Legislative Audit (Restricted/Biennial)											
0	145,517	0	0	0	145,517	0	0	0	0	0	0
b. Software Upgrade (OTO)											
0	51,000	0	0	0	51,000	0	0	0	0	0	0
c. Surface Transportation Litigation (Restricted/Biennial/OTO)											
3,000,000	0	0	0	0	3,000,000	0	0	0	0	0	0
d. ACS Contract (Restricted)											
0	234,449	0	0	0	234,449	0	256,151	0	0	0	256,151
~~e. Agency's Goals and Objectives Reporting (Restricted)~~											
~~2,500~~	~~0~~	~~0~~	~~0~~	~~0~~	~~2,500~~	~~2,500~~	~~0~~	~~0~~	~~0~~	~~0~~	~~2,500~~
2. Construction Program (02) (Biennial)											
0	88,609,834	271,116,523	0	0	359,726,357	0	83,112,488	278,076,978	0	0	361,189,466
3. Maintenance Program (03) (Biennial)											
0	100,141,928	7,342,830	0	0	107,484,758	0	99,899,592	7,342,830	0	0	107,242,422
a. House Bill No. 531 (OTO)											
0	25,342	0	0	0	25,342	0	0	0	0	0	0
4. Motor Carrier Services Division (22)											
0	6,763,340	1,661,058	0	0	8,424,398	0	6,781,670	2,641,182	0	0	9,422,852
a. House Bill No. 556 (Biennial/OTO)											

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Fiscal 2008						Fiscal 2009					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
0	20,000	0	0	0	20,000	0	0	0	0	0	0
5. Aeronautics Program (40)											
0	1,120,988	1,706,951	0	0	2,827,939	0	877,685	34,229	0	0	911,914
a. Aeronautics Grants (Biennial)											
0	800,000	0	0	0	800,000	0	0	0	0	0	0
b. Airport Pavement Preservation (Biennial)											
0	250,000	0	0	0	250,000	0	0	0	0	0	0
c. Lincoln Airport Development (Biennial)											
0	14,994	300,006	0	0	315,000	0	0	0	0	0	0
d. Airport/Aeronautics Loans (Biennial)											
0	400,000	0	0	0	400,000	0	400,000	0	0	0	400,000
6. Transportation Planning Division (50) (Biennial)											
0	6,699,712	19,518,868	0	0	26,218,580	0	6,948,872	19,997,462	0	0	26,946,334
a. Highway Traffic Safety Section 408 (OTO)											
0	208,040	791,673	0	0	999,713	0	208,055	791,728	0	0	999,783
Total											
3,002,500	227,071,515	304,033,314	0	0	534,107,329	2,500	220,838,637	310,479,851	0	0	531,320,988

~~Agency's Goals and Objectives Reporting provides funding for a report to the legislative finance committee relevant to goals and objectives presented to the appropriations subcommittee on general government and transportation of the 2007 legislature in the agency's and programs' templates and the decision package narratives presented in the legislative budget analysis 2009 biennium for present law decision package 1503 and new proposal decision packages 2204, 5001, and 5004. The report must address the following:~~

~~(1) progress toward the goals; and~~

~~(2) attainment of measurable objectives.~~

~~If the report is not received by June 30, 2008, $2,500 of general fund money in fiscal year 2009 for Agency's Goals and Objectives Reporting is void.~~

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Fiscal 2008						Fiscal 2009					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

The department may adjust appropriations in the general operations, construction, maintenance, and transportation planning programs between state special revenue and federal special revenue funds if the total state special revenue authority for these programs is not increased by more than 10% of the total appropriations established by the legislature for each program.

All federal special revenue appropriations in the department are biennial.

All state special revenue appropriations in the general operations, construction, maintenance, and transportation planning programs are biennial.

All remaining federal pass-through grant appropriations for highway traffic safety, including reversions, for the 2007 biennium are authorized to continue and are appropriated in fiscal year 2008 and fiscal year 2009.

DEPARTMENT OF REVENUE (5801)

1. Director's Office (01)											
4,652,529	85,287	200	143,435	0	4,881,451	4,396,278	81,486	0	139,611	0	4,617,375
a. Legislative Audit (Restricted/Biennial)											
182,878	0	600	0	0	183,478	0	0	0	0	0	0
b. Compliance — Legal (OTO)											
23,550	0	0	0	0	23,550	0	0	0	0	0	0
c. Fulfill Statutory Responsibilities (OTO)											
300,000	0	0	0	0	300,000	0	0	0	0	0	0
d. House Bill No. 680											
136,245	0	0	0	0	136,245	136,372	0	0	0	0	136,372
e. House Bill No. 680 One-Time Costs (OTO)											
7,850	0	0	0	0	7,850	0	0	0	0	0	0
2. Information Technology and Processing (02)											
11,749,483	229,522	132,000	95,621	0	12,206,626	11,825,747	231,295	132,000	95,621	0	12,284,663
a. Senate Bill No. 439											
6,085	0	0	0	0	6,085	3,585	0	0	0	0	3,585
b. Senate Bill No. 439 One-Time Costs (OTO)											

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Fiscal 2008						Fiscal 2009					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
300,000	0	0	0	0	300,000	0	0	0	0	0	0
c. Tax Administration (OTO)											
2,000,000	0	0	0	0	2,000,000	2,000,000	0	0	0	0	2,000,000
3. Liquor Control Division (03)											
0	0	0	1,776,746	0	1,776,746	0	0	0	1,779,709	0	1,779,709
a. Liquor System Reforms											
0	0	0	100,040	0	100,040	0	0	0	87,361	0	87,361
b. Senate Bill No. 296											
0	0	0	34,436	0	34,436	0	0	0	28,384	0	28,384
4. Citizen Services and Resource Management (05)											
1,685,667	106,785	0	44,133	0	1,836,585	1,690,615	108,585	0	44,133	0	1,843,333
a. Citizen Services (Restricted)											
121,380	0	0	0	0	121,380	121,380	0	0	0	0	121,380
5. Business and Income Taxes Division (07)											
9,608,750	399,871	272,017	0	0	10,280,638	9,702,219	395,458	272,017	0	0	10,369,694
a. House Bill No. 680											
38,951	0	0	0	0	38,951	38,982	0	0	0	0	38,982
b. House Bill No. 680 One-Time Costs (OTO)											
3,925	0	0	0	0	3,925	0	0	0	0	0	0
c. Senate Bill No. 439											
125,245	0	0	0	0	125,245	126,141	0	0	0	0	126,141
d. Senate Bill No. 439 One-Time Costs (OTO)											
11,800	0	0	0	0	11,800	0	0	0	0	0	0
6. Property Assessment Division (08)											
18,061,932	50,000	0	0	0	18,111,932	18,175,259	50,000	0	0	0	18,225,259
a. Maintain Parcel Count Caseload (OTO)											
52,333	0	0	0	0	52,333	0	0	0	0	0	0

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Fiscal 2008						Fiscal 2009					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
b. Reappraisal GIS Staff (OTO)											
210,280	0	0	0	0	210,280	104,250	0	0	0	0	104,250
Total											
49,278,883	871,465	404,817	2,194,411	0	52,749,576	48,320,828	866,824	404,017	2,174,819	0	51,766,488

~~Fulfill Statutory Responsibilities includes funding for a report to the legislative finance committee relevant to goals and objectives presented to the appropriations subcommittee on general government and transportation of the 2007 legislature in the agency's and programs' templates and the decision package narratives presented in the legislative budget analysis 2009 biennium for present law decision packages 201, 701, 802, 1011, 7013, 7019, and 8012 and new proposal decision package 301. The report must address the following:~~

~~(1) progress toward the goals; and~~

~~(2) attainment of measurable objectives.~~

~~If the report is not received by June 30, 2008, Fulfill Statutory Responsibilities is reduced by $5,000 in general fund money in fiscal year 2009.~~

If Senate Bill No. 439 of the 2007 regular session is not passed and approved, Senate Bill No. 439 and Senate Bill No. 439 One-Time Costs are void.

Liquor System Reforms is contingent upon passage and approval of Senate Bill No. 127 of the 2007 regular session.

Liquor control division proprietary funds necessary to maintain adequate inventories, pay freight charges, and transfer profit and taxes to appropriate accounts are appropriated from the liquor enterprise fund (06005) to the department in amounts not to exceed $103 million in fiscal year 2008 and $112 million in fiscal year 2009.

If the department is unable to meet statutory service levels because of the increase in demand for liquor products, the department may hire additional temporary employees or pay overtime, whichever is determined to be the most cost-effective, to maintain required service levels to stores. In fiscal year 2008 and in fiscal year 2009, the department is appropriated not more than $40,000 each year for additional costs from the liquor enterprise fund (06005) to meet the service level requirements.

In the liquor division, upon a termination that requires a payout of accrued leave balances, liquor control division proprietary funds are appropriated from the liquor enterprise fund (06005) to the department in the amount equal to the payout of the accrued leave balances, not to exceed $40,000 for each of fiscal years 2008 and 2009.

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Fiscal 2008						Fiscal 2009					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
DEPARTMENT OF ADMINISTRATION (6101)											
1. Governor-Elect Program (02)											
0	0	0	0	0	0	50,000	0	0	0	0	50,000
2. Administrative Financial Services Division (03)											
1,676,909	1,587	87,293	49,620	0	1,815,409	1,685,718	1,587	87,333	49,669	0	1,824,307
a. Legislative Audit (Restricted/Biennial)											
41,676	0	0	0	0	41,676	0	0	0	0	0	0
b. Laptop Computer Replacement (OTO)											
10,000	0	0	0	0	10,000	0	0	0	0	0	0
c. SABHRS Licensing Costs (OTO)											
800,000	0	0	0	0	800,000	0	0	0	0	0	0
~~d. Agency's Goals and Objectives Reporting (Restricted)~~											
~~2,500~~	~~0~~	~~0~~	~~0~~	~~0~~	~~2,500~~	~~2,500~~	~~0~~	~~0~~	~~0~~	~~0~~	~~2,500~~
3. Architecture and Engineering Program (04)											
0	1,701,735	0	0	0	1,701,735	0	1,711,729	0	0	0	1,711,729
a. Legislative Audit (Restricted/Biennial)											
0	1,500	0	0	0	1,500	0	0	0	0	0	0
4. General Services Program (06)											
2,462,688	66,794	0	0	0	2,529,482	2,557,916	66,925	0	0	0	2,624,841
a. Senate Bill No. 4											
0	29,978	0	0	0	29,978	0	30,009	0	0	0	30,009
5. Information Technology Services Division (07)											
643,375	1,383,562	0	0	0	2,026,937	642,216	1,379,403	0	0	0	2,021,619
a. Geographic Coordinate Database (Biennial)											
0	0	800,000	0	0	800,000	0	0	0	0	0	0
b. Supercomputer Center Study (Biennial/OTO)											
275,000	0	0	0	0	275,000	0	0	0	0	0	0

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Fiscal 2008						Fiscal 2009					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
c. House Bill No. 27											
82,222	0	0	0	0	82,222	79,447	0	0	0	0	79,447
6. Banking and Financial Division (14)											
0	3,237,384	0	0	0	3,237,384	0	3,309,917	0	0	0	3,309,917
a. Legislative Audit (Restricted/Biennial)											
0	3,297	0	0	0	3,297	0	0	0	0	0	0
b. License Mortgage Lenders											
0	202,885	0	0	0	202,885	0	271,137	0	0	0	271,137
7. Montana State Lottery (15)											
0	0	0	7,472,170	0	7,472,170	0	0	0	7,483,259	0	7,483,259
a. Legislative Audit (Restricted/Biennial)											
0	0	0	102,223	0	102,223	0	0	0	0	0	0
8. Health Care and Benefits Division (21)											
0	41,349	0	0	0	41,349	0	43,115	0	0	0	43,115
a. Workers' Compensation Cost Containment (Restricted/OTO)											
387,690	0	0	0	0	387,690	379,679	0	0	0	0	379,679
9. State Personnel Division (23)											
1,024,538	0	0	0	0	1,024,538	1,030,802	0	0	0	0	1,030,802
10. State Tax Appeal Board (37)											
393,386	0	0	0	0	393,386	395,839	0	0	0	0	395,839
Total											
7,799,984	6,670,071	887,293	7,624,013	0	22,981,361	6,824,117	6,813,822	87,333	7,532,928	0	21,258,200

~~Agency's Goals and Objectives Reporting provides funding for a report to the legislative finance committee relevant to goals and objectives presented to the appropriations subcommittee on general government and transportation of the 2007 legislature in the agency's and programs' templates. The report must address the following:~~

~~(1) progress toward the goals; and~~

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	Fiscal 2008						Fiscal 2009					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

~~(2) attainment of measurable objectives.~~

~~If the report is not received by June 30, 2008, $2,500 of general fund money in fiscal year 2009 for Agency's Goals and Objectives Reporting is void.~~

If Senate Bill No. 4 of the 2007 regular session is not passed and approved, Senate Bill No. 4 is void.

The department is appropriated up to $500,000 of state special revenue each year of the biennium to assist agencies in reducing workers' compensation injuries and costs. These funds may not be expended for activities that duplicate other agency expenditures or programs.

MONTANA CONSENSUS COUNCIL (6106)

1. Montana Consensus Council (01)

75,632	116,071	0	0	0	191,703	76,507	116,646	0	0	0	193,153

a. Legislative Audit (Restricted/Biennial)

0	376	0	0	0	376	0	0	0	0	0	0

~~b. Agency's Goals and Objectives Reporting (Restricted)~~

~~2,500~~	~~0~~	~~0~~	~~0~~	~~0~~	~~2,500~~	~~2,500~~	~~0~~	~~0~~	~~0~~	~~0~~	~~2,500~~

Total

78,132	116,447	0	0	0	194,579	79,007	116,646	0	0	0	195,653

~~Agency's Goals and Objectives Reporting provides funding for a report to the legislative finance committee relevant to goals and objectives presented to the appropriations subcommittee on general government and transportation of the 2007 legislature in the agency's template. The report must address the following:~~

~~(1) progress toward the goals; and~~

~~(2) attainment of measurable objectives.~~

~~If the report is not received by June 30, 2008, $2,500 of general fund money in fiscal year 2009 for Agency's Goals and Objectives Reporting is void.~~

OFFICE OF STATE PUBLIC DEFENDER (6108)

1. Office of State Public Defender (01)

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Fiscal 2008						Fiscal 2009					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
18,121,225	75,000	0	0	0	18,196,225	18,023,670	75,000	0	0	0	18,098,670
a. SB 547 — Sexual Offender Caseload											
45,600	0	0	0	0	45,600	45,600	0	0	0	0	45,600
b. SB 104 — Extend Statute of Limitations Certain Sex Crimes Caseload											
141,000	0	0	0	0	141,000	141,000	0	0	0	0	141,000
c. HB 629 — Mediation for Criminal Proceedings											
30,000	0	0	0	0	30,000	30,000	0	0	0	0	30,000
d. Caseload Transition (Restricted/Biennial/OTO)											
500,000	0	0	0	0	500,000	500,000	0	0	0	0	500,000
2. Office of Appellate Defender (02)											
574,400	0	0	0	0	574,400	575,454	0	0	0	0	575,454
Total											
19,412,225	75,000	0	0	0	19,487,225	19,315,724	75,000	0	0	0	19,390,724
TOTAL SECTION A											
129,461,776	257,471,999	306,490,804	9,818,424	0	703,243,003	124,727,002	250,904,783	311,097,080	9,707,747	0	696,436,612

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	Fiscal 2008						Fiscal 2009					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
					B. HEALTH AND HUMAN SERVICES						
DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES (6901)											
1. Human and Community Services Division (02)											
27,471,115	1,396,131	190,961,616	0	0	219,828,862	27,533,235	1,400,969	200,229,161	0	0	229,163,365
a. Energy Assistance/Conservation (Biennial/OTO)											
0	0	1,600,000	0	0	1,600,000	0	0	0	0	0	0
b. Tri-State Housing Grant (Biennial)											
0	0	966,000	0	0	966,000	0	0	0	0	0	0
c. Child Care for Working Caretaker Relative (Restricted/OTO)											
0	0	683,784	0	0	683,784	0	0	683,784	0	0	683,784
d. Work Training Program (Restricted)											
0	0	504,436	0	0	504,436	0	0	504,436	0	0	504,436
e. Human and Community Services Division/Reporting											
216,581	0	307,656	0	0	524,237	263,227	0	262,072	0	0	525,299
f. Ombudsman Funding — Warm Hearts/Homes (Restricted/OTO)											
300,000	0	0	0	0	300,000	300,000	0	0	0	0	300,000
g. Low-Income Energy Assistance (Biennial/OTO)											
1,000,000	0	0	0	0	1,000,000	0	0	0	0	0	0
h. Child Care FPI, Market Rate, Caseload											
1,741,650	0	0	0	0	1,741,650	2,428,000	0	0	0	0	2,428,000
2. Child and Family Services Division (03)											
26,020,218	2,421,218	28,117,261	0	0	56,558,697	27,608,616	2,421,269	29,311,493	0	0	59,341,378
a. CFSD Overtime (Restricted)											
124,021	0	82,838	0	0	206,859	124,021	0	82,838	0	0	206,859
b. Replacement of Computers and Equipment (Restricted)											
52,273	0	34,848	0	0	87,121	52,273	0	34,848	0	0	87,121
c. Mental Health Case Management Increase (Restricted/OTO)											

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Fiscal 2008						Fiscal 2009					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
187,500	0	62,500	0	0	250,000	187,500	0	62,500	0	0	250,000
d. Federal Law Change for Kin Care Providers (Restricted)											
86,000	0	0	0	0	86,000	86,000	0	0	0	0	86,000
e. Additional Field Staff/Report											
447,161	0	298,107	0	0	745,268	588,433	0	392,288	0	0	980,721
f. Targeted Case Management Federal Law Change (Restricted/OTO)											
1,800,000	0	0	0	0	1,800,000	1,800,000	0	0	0	0	1,800,000
g. Therapeutic Group Homes/Family Foster Care (Restricted)											
300,000	0	0	0	0	300,000	300,000	0	0	0	0	300,000
h. Child and Family Services/Reporting											
1,907,931	0	419,306	0	0	2,327,237	1,916,106	0	421,081	0	0	2,337,187
i. Direct Care Worker Wage Increase (Restricted)											
314,937	0	134,974	0	0	449,911	314,937	0	134,974	0	0	449,911
j. Provider Rate Increase (Restricted)											
199,153	0	175,956	0	0	375,109	556,300	0	368,627	0	0	924,927
3. Director's Office (04)											
2,676,136	256,542	6,192,940	0	0	9,125,618	2,681,679	257,088	6,201,063	0	0	9,139,830
a. Administration/Reporting											
191,881	56,701	243,859	0	0	492,441	196,820	58,160	250,137	0	0	505,117
b. Health Insurance Flexibility Accountability Waiver											
0	0	15,027,480	0	0	15,027,480	0	0	15,027,554	0	0	15,027,554
c. MMIS & MH Systems Analysis (Restricted/Biennial/OTO)											
200,000	0	600,000	0	0	800,000	0	0	0	0	0	0
4. Child Support Enforcement Division (05)											
1,545,664	1,602,945	4,491,239	0	0	7,639,848	1,553,250	1,606,036	3,978,142	0	0	7,137,428
a. Child Support Enforcement Rent Increase (Restricted)											
37,686	0	73,156	0	0	110,842	40,879	0	79,353	0	0	120,232

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	Fiscal 2008						Fiscal 2009				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
b. Child Support Deficit Reduction Act (Restricted/OTO)											
1,620,765	0	0	0	0	1,620,765	2,154,589	0	0	0	0	2,154,589
c. Child Support Enforcement DRA Fee (Restricted)											
187,025	0	0	0	0	187,025	187,025	0	0	0	0	187,025
d. Child Support Enforcement/Reporting											
158,108	124,822	549,216	0	0	832,146	158,717	125,303	551,334	0	0	835,354
5. Business and Financial Services Division (06)											
2,597,297	907,864	3,338,931	0	0	6,844,092	2,577,985	906,007	3,302,130	0	0	6,786,122
a. Legislative Audit (Restricted/Biennial)											
140,107	7,873	168,362	0	0	316,342	0	0	0	0	0	0
b. Business and Financial Services/Reporting											
1,022,403	0	943,976	0	0	1,966,379	1,025,730	0	947,050	0	0	1,972,780
6. Public Health and Safety Division (07)											
2,160,101	12,362,673	31,352,459	0	0	45,875,233	2,088,724	12,400,190	31,382,999	0	0	45,871,913
a. WIC IT Purchase and Modification System (Biennial/OTO)											
290,000	0	0	0	0	290,000	0	0	0	0	0	0
b. Lab Equipment Replacement and Maintenance (Biennial/OTO)											
45,000	100,000	0	0	0	145,000	45,000	100,000	0	0	0	145,000
c. Newborn Screening Followup Program (Restricted)											
0	129,522	37,410	0	0	166,932	0	290,000	74,710	0	0	364,710
d. Tobacco Prevention Activities (Restricted)											
0	630,000	0	0	0	630,000	0	630,000	0	0	0	630,000
e. Division Administration/Reporting											
202,946	261,889	797,913	0	0	1,262,748	203,849	263,055	801,507	0	0	1,268,411
f. FCSS Spending Authority for Pool Inspections											
0	60,000	0	0	0	60,000	0	60,000	0	0	0	60,000
g. Chronic Disease Program (Restricted)											

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Fiscal 2008						Fiscal 2009					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
0	2,700,000	0	0	0	2,700,000	0	2,700,000	0	0	0	2,700,000
h. Public Health Emergency Preparedness											
0	0	9,997,550	0	0	9,997,550	0	0	10,004,991	0	0	10,004,991
i. Youth Suicide Prevention Program											
0	0	400,000	0	0	400,000	0	0	400,000	0	0	400,000
j. Family Planning Services (Restricted/OTO)											
536,523	0	0	0	0	536,523	536,523	0	0	0	0	536,523
k. Genetics Program Funding											
0	279,616	0	0	0	279,616	0	288,004	0	0	0	288,004
l. Additional Genetic Program Funding (Restricted)											
0	200,000	0	0	0	200,000	0	200,000	0	0	0	200,000
m. HPV Vaccine (Restricted/OTO)											
0	0	0	0	0	0	0	400,000	0	0	0	400,000
n. Grants to County Health Boards in Counties With Proliferation of Tremolite Asbestos-Related Diseases (Restricted/Biennial/OTO)											
750,000	0	0	0	0	750,000	750,000	0	0	0	0	750,000
o. Asbestos-Related Diseases Administration (Restricted/OTO)											
41,729	0	0	0	0	41,729	33,199	0	0	0	0	33,199
7. Quality Assurance Division (08)											
2,177,435	99,474	5,556,277	0	0	7,833,186	2,190,938	99,985	5,578,130	0	0	7,869,053
a. Additional Lien and Estate Recovery Costs (OTO)											
0	91,540	91,540	0	0	183,080	0	91,540	91,540	0	0	183,080
b. Division Administration/Reporting											
141,500	35,000	0	0	0	176,500	141,630	35,000	0	0	0	176,630
c. PERM (Restricted)											
115,295	0	206,863	0	0	322,158	136,805	0	249,156	0	0	385,961
8. Technology Services Division (09)											
7,300,319	714,202	10,721,453	0	0	18,735,974	7,378,252	720,260	10,802,365	0	0	18,900,877

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	Fiscal 2008						Fiscal 2009				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
a. CAPS System Facilities Management Increase (Restricted/OTO)											
61,618	0	48,414	0	0	110,032	61,618	0	48,414	0	0	110,032
b. Ongoing Support for CHIMES (Restricted/Biennial/OTO)											
114,046	0	114,046	0	0	228,092	0	0	0	0	0	0
c. Technology Services Division/Reporting											
47,356	0	66,107	0	0	113,463	47,442	0	66,228	0	0	113,670
9. Disability Services Division (10)											
47,684,186	3,688,590	84,555,565	0	0	135,928,341	48,186,509	4,157,517	85,499,415	0	0	137,843,441
a. MDC Base Adjustments (Biennial)											
440,146	0	0	0	0	440,146	450,299	0	0	0	0	450,299
b. DD Crisis Funding											
120,000	0	0	0	0	120,000	120,000	0	0	0	0	120,000
c. MTAP New Technologies (Restricted/Biennial)											
0	1,065,000	0	0	0	1,065,000	0	0	0	0	0	0
d. Disability Services Division/Reporting											
1,518,215	0	1,880,896	0	0	3,399,111	1,522,962	0	1,886,777	0	0	3,409,739
e. DD Wait List Reduction (Restricted)											
500,000	0	1,093,372	0	0	1,593,372	500,000	0	1,082,278	0	0	1,582,278
f. Direct Care Worker Wage Increase (Restricted)											
1,050,088	0	1,668,390	0	0	2,718,478	1,055,431	0	1,663,047	0	0	2,718,478
g. Provider Rate Increase (Restricted)											
91,422	0	1,916	0	0	93,338	246,847	0	3,866	0	0	250,713
h. VR Tuition Increases											
44,359	0	163,897	0	0	208,256	56,237	0	207,786	0	0	264,023
i. Montana Youth Leadership Forum											
50,000	0	0	0	0	50,000	50,000	0	0	0	0	50,000
j. VR Transition Counselor											

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Fiscal 2008						Fiscal 2009					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
55,283	0	0	0	0	55,283	51,884	0	0	0	0	51,884
10. Health Resources Division (11)											
123,698,117	19,947,092	341,190,786	0	0	484,835,995	134,719,465	19,749,092	367,644,813	0	0	522,113,370
a. Health Resources Division Administration/Reporting											
232,550	12,726	281,657	0	0	526,933	234,655	12,841	284,208	0	0	531,704
b. Direct Care Worker Wage Increase (Restricted)											
18,036	300,000	695,142	0	0	1,013,178	19,050	300,000	694,128	0	0	1,013,178
c. Provider Rate Increase (Restricted)											
0	1,620,277	2,100,682	0	0	3,720,959	1,222,681	1,646,566	4,247,683	0	0	7,116,930
d. Hospital Utilization Fee (Restricted)											
0	17,503,843	38,222,192	0	0	55,726,035	0	20,324,595	44,183,150	0	0	64,507,745
e. Family Planning Waiver (OTO)											
348,297	0	2,743,296	0	0	3,091,593	347,669	0	2,742,669	0	0	3,090,338
f. Prescription Drug Discount Program (Restricted)											
0	1,389,441	0	0	0	1,389,441	0	2,037,846	0	0	0	2,037,846
g. Equalize Campus-Based Rates (Restricted)											
23,785	0	69,943	0	0	93,728	54,261	0	159,558	0	0	213,819
h. Raise Physician Reimbursement (Restricted)											
0	0	0	0	0	0	520,306	0	1,522,928	0	0	2,043,234
i. Medicaid Eligibility for Pregnant Women to 150% (Restricted)											
0	943,117	2,061,397	0	0	3,004,514	0	1,216,532	2,646,701	0	0	3,863,233
j. Revise Medically Needy Income Level (Restricted)											
371,647	0	1,092,864	0	0	1,464,511	743,295	0	2,175,611	0	0	2,918,906
k. Big Sky Rx Premium Assistance (Restricted/Biennial)											
0	9,674,920	0	0	0	9,674,920	0	0	0	0	0	0
11. Senior and Long-Term Care Division (22)											
49,716,245	26,362,789	150,312,122	0	0	226,391,156	48,920,555	26,746,393	149,755,971	0	0	225,422,919

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	Fiscal 2008						Fiscal 2009				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
a. Senior and Long-Term Care Administration/Reporting											
156,811	48,394	145,629	0	0	350,834	158,226	48,845	146,942	0	0	354,013
b. County Nursing Home Intergovernmental Transfer (Restricted)											
0	3,030,598	6,028,599	0	0	9,059,197	0	3,786,730	7,488,860	0	0	11,275,590
c. IGT Offset (Restricted/Biennial)											
1,189,272	0	0	0	0	1,189,272	1,600,000	0	0	0	0	1,600,000
d. Aging Services (Restricted)											
371,647	0	0	0	0	371,647	371,647	0	0	0	0	371,647
e. EMVH Resident Bus Replacement (OTO)											
0	40,000	0	0	0	40,000	0	0	0	0	0	0
f. MVH Facility Upgrades (OTO)											
0	165,000	0	0	0	165,000	0	165,000	0	0	0	165,000
g. EMVH Fire Alarm System (OTO)											
0	15,000	0	0	0	15,000	0	0	0	0	0	0
h. MVH Contingency Fund (Restricted)											
0	250,000	0	0	0	250,000	0	250,000	0	0	0	250,000
i. Direct Care Worker Wage Increase (Restricted)											
1,152,035	1,330,136	5,425,352	0	0	7,907,523	1,155,706	1,334,373	5,417,444	0	0	7,907,523
j. Provider Rate Increase (Restricted)											
123,083	1,555,760	3,398,230	0	0	5,077,073	2,012,199	1,578,443	6,867,306	0	0	10,457,948
k. Aging Services (OTO)											
1,500,000	0	0	0	0	1,500,000	1,500,000	0	0	0	0	1,500,000
l. Resource Facilitation Service — Traumatic Brain Injury (Restricted/OTO)											
0	0	0	0	0	0	0	100,000	0	0	0	100,000
m. Healthcare for Healthcare Workers (Restricted)											
0	0	0	0	0	0	814,900	0	1,772,906	0	0	2,587,806
12. Addictive and Mental Disorders Division (33)											

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Fiscal 2008						Fiscal 2009					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
51,366,876	8,472,424	46,078,800	0	0	105,918,100	52,864,079	8,575,352	47,747,122	0	0	109,186,553
a. Addictive/Mental Disorders Administration/Reporting											
477,886	169,817	512,013	0	0	1,159,716	484,739	170,487	514,470	0	0	1,169,696
b. Direct Care Worker Wage Increase (Restricted)											
224,964	0	491,711	0	0	716,675	225,681	0	490,994	0	0	716,675
c. Behavioral Health Inpatient Facility (Restricted/OTO)											
0	0	0	0	0	0	3,000,000	0	3,263,417	0	0	6,263,417
d. Mental Health Drop-In Centers (Restricted)											
371,647	0	0	0	0	371,647	371,647	0	0	0	0	371,647
e. Suicide Prevention (Restricted)											
400,000	0	0	0	0	400,000	400,000	0	0	0	0	400,000
f. Services for Mentally Ill Offenders (Restricted)											
371,647	0	0	0	0	371,647	371,647	0	0	0	0	371,647
g. Expand Mental Health Services Plan (Restricted)											
2,601,531	0	0	0	0	2,601,531	2,601,531	0	0	0	0	2,601,531
h. Provider Rate Increase (Restricted)											
160,525	327,689	730,386	0	0	1,218,600	680,487	362,087	1,539,439	0	0	2,582,013
i. Mentally Ill Offender Drugs (Restricted/Biennial/OTO)											
950,000	0	0	0	0	950,000	0	0	0	0	0	0
j. 72-Hour Crisis Eligibility (Restricted)											
1,861,245	0	171,525	0	0	2,032,770	1,860,334	0	172,436	0	0	2,032,770
k. Methamphetamine Treatment (Restricted)											
2,000,000	0	0	0	0	2,000,000	2,000,000	0	0	0	0	2,000,000
l. MHSP Drugs (Biennial)											
0	6,305,210	0	0	0	6,305,210	0	0	0	0	0	0
m. Community Liaison Officers (Restricted)											
0	129,522	0	0	0	129,522	0	145,000	0	0	0	145,000

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Fiscal 2008						Fiscal 2009					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
n. Service Area Authority Grants (Restricted)											
115,000	0	0	0	0	115,000	115,000	0	0	0	0	115,000
Total											
377,886,025	128,785,357	1,006,484,835	0	0	1,513,156,217	399,859,231	117,760,565	1,064,146,830	0	0	1,581,766,626

Human and Community Services Division

Funding for Child Care for Working Caretaker Relative may be expended only by the human and community services division for child care assistance for working grandparents or caretaker relatives providing care for children in place of their parents.

Funding for Work Training Program includes $504,436 of TANF block grant funds each year of the biennium. Funds may be expended only by TANF work contractors to support additional employment and training activities, including antipoverty efforts that enhance the work capacity of TANF recipients.

~~Included in Human and Community Services Division/Reporting is $200 in general fund money each year for a semiannual report to the legislative finance committee and the children, families, health, and human services interim committee for the following:~~

~~(1) progress toward the goals presented to the joint appropriations subcommittee on health and human services in the division's final template; and~~

~~(2) attainment of measurable objectives as outlined in the division's final template presented to the joint appropriations subcommittee on health and human services.~~

~~If the reports are not received by the legislative finance committee by December 31, 2007, and June 30, 2008, the fiscal year 2009 general fund appropriation is reduced by $200.~~

Ombudsman Funding—Warm Hearts/Warm Homes may be expended only for activities related to the ombudsman function.

Child and Family Services Division

Funding for CFSD Overtime may be expended only in support of CFSD staff overtime costs.

Funding for Replacement of Computers and Equipment may be expended only to replace child and family services division computers and equipment.

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	Fiscal 2008						Fiscal 2009					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

Funding for Mental Health Case Management Increase for the child and family services division may be expended only for mental health case management services. Funding is contingent upon revisions to centers for medicare and medicaid services (CMS) federal regulations that disallow federal reimbursement to the state for case management services for children in foster care.

Funding for Federal Law Change for Kin Care Providers may be expended only by the CFSD to replace lost federal funding for administrative activities associated with children in unlicensed foster care homes.

~~The appropriation for Additional Field Staff/Report includes funding for reports to the children, families, health, and human services interim committee showing the dates on which new staff were hired, areas of service, and measurements included in the division's goals and objectives.~~

Funding for Targeted Case Management Federal Law Change may be expended only by the child and family services division to replace federal funds for targeted case management services that are eliminated by the federal Deficit Reduction Act of 2005.

Funding for Therapeutic Group Homes/Family Foster Care may be expended only by the CFSD to implement changes in federal medicaid policy related to federal funding for therapeutic services.

~~Included in Child and Family Services/Reporting is $200 in general fund money each year for a semiannual report to the legislative finance committee and the children, families, health, and human services interim committee for the following:~~

~~(1) progress toward the goals presented to the joint appropriations subcommittee on health and human services in the division's final template; and~~

~~(2) attainment of measurable objectives as outlined in the division's final template presented to the joint appropriations subcommittee on health and human services.~~

~~If the reports are not received by the legislative finance committee by December 31, 2007, and June 30, 2008, the fiscal year 2009 general fund appropriation is reduced by $200.~~

Funds in Direct Care Worker Wage Increase may be used only to raise direct care worker wages and related benefits through an increase in provider rates. Funds in Direct Care Worker Wage Increase may not be used to offset any other wage increase mandated by any other laws, contracts, or written agreements, which will go into effect at the same time as or after implementation of the appropriation included in Direct Care Worker Wage Increase. To the extent of available appropriations, the department's contracts with group homes and shelters must require them to raise the lowest paid direct care workers to $8.50 an hour and to raise related benefits, and the remaining balance must be used to raise wages and related benefits of all direct care workers. The department shall increase the model rate matrix for group and shelter homes. Child and Family Services/Reporting includes funding for a semiannual report for the legislative finance committee and the children, families, health, and human services interim committee summarizing direct care wage rates.

Funds in Provider Rate Increase may be used only to raise provider rates.

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	Fiscal 2008					Fiscal 2009				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

Provider Rate Increase will be implemented starting October 1, 2007.

~~**Director's Office**~~

~~Included in Administration/Reporting is $200 in general fund money each year for a semiannual report to the legislative finance committee and the children, families, health, and human services interim committee for the following:~~

~~(1) progress toward the goals presented to the joint appropriations subcommittee on health and human services in the division's final template; and~~

~~(2) attainment of measurable objectives as outlined in the division's final template presented to the joint appropriations subcommittee on health and human services.~~

~~If the reports are not received by the legislative finance committee by December 31, 2007, and June 30, 2008, the fiscal year 2009 general fund appropriation is reduced by $200.~~

Child Support Enforcement Division

Funding for Child Support Enforcement Rent Increase may be expended only for increases in rent for CSED office space located in Helena and for regional offices in Butte, Billings, Great Falls, and Missoula.

Funding for Child Support Deficit Reduction Act may be expended only to replace federal funding from the elimination of the incentive funds match and the reduction of the federal match allowed for child support paternity testing services. Funds may be expended in the historical expenditure categories.

Funding for Child Support Enforcement DRA Fee may be expended only for the federally mandated $25 fee according to the percentage split of the fee of 66% federal and 34% state.

~~Included in Child Support Enforcement/Reporting is $200 in general fund money each year for a semiannual report to the legislative finance committee and the children, families, health, and human services interim committee for the following:~~

~~(1) progress toward the goals presented to the joint appropriations subcommittee on health and human services in the division's final template; and~~

~~(2) attainment of measurable objectives as outlined in the division's final template presented to the joint appropriations subcommittee on health and human services.~~

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	Fiscal 2008					Fiscal 2009				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

~~If the reports are not received by the legislative finance committee by December 31, 2007, and June 30, 2008, the fiscal year 2009 general fund appropriation is reduced by $200.~~

~~**Business and Financial Services Division**~~

~~Included in Business and Financial Services/Reporting is $200 in general fund money each year for a semiannual report to the legislative finance committee and the children, families, health, and human services interim committee for the following:~~

~~(1) progress toward the goals presented to the joint appropriations subcommittee on health and human services in the division's final template; and~~

~~(2) attainment of measurable objectives as outlined in the division's final template presented to the joint appropriations subcommittee on health and human services.~~

~~If the reports are not received by the legislative finance committee by December 31, 2007, and June 30, 2008, the fiscal year 2009 general fund appropriation is reduced by $200.~~

Public Health and Safety Division

Tobacco Prevention Activities includes $90,000 each year of the biennium for each of the seven Montana tribes. The funding must be used for tribal tobacco use prevention programs that meet the same requirements as other community-based contractors providing tobacco use prevention programs.

~~Included in Division Administration/Reporting is $200 in general fund money each year for a semiannual report to the legislative finance committee and the children, families, health, and human services interim committee for the following:~~

~~(1) progress toward the goals presented to the joint appropriations subcommittee on health and human services in the division's final template; and~~

~~(2) attainment of measurable objectives as outlined in the division's final template presented to the joint appropriations subcommittee on health and human services.~~

~~If the reports are not received by the legislative finance committee by December 31, 2007, and June 30, 2008, the fiscal year 2009 general fund appropriation is reduced by $200.~~

~~Funding for Asbestos Related Diseases Administration includes funding for an annual report to the children, families, health, and human services interim committee on the number of participants assisted through the grant program, the amount of funding needed by each participant, and the estimated funding needed to pay future costs of participants.~~

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	General Fund	State Special Revenue	Fiscal 2008 Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Fiscal 2009 Federal Special Revenue	Proprietary	Other	Total
~~Quality Assurance Division~~												

~~Included in Division Administration/Reporting is $200 in general fund money each year for a semiannual report to the legislative finance committee and the children, families, health, and human services interim committee for the following:~~

~~(1) progress toward the goals presented to the joint appropriations subcommittee on health and human services in the division's final template; and~~

~~(2) attainment of measurable objectives as outlined in the division's final template presented to the joint appropriations subcommittee on health and human services.~~

~~If the reports are not received by the legislative finance committee by December 31, 2007, and June 30, 2008, the fiscal year 2009 general fund appropriation is reduced by $200.~~

Technology Services Division

Funding for CAPS System Facilities Management Increase may be expended only for the child and adult protective services CAPS contract for an increase in cost of living and level of effort.

Funding for the Ongoing Support for CHIMES may be expended only for platform costs, lease payments, maintenance of servers, and operating system support associated with the new combined health information and medicaid eligibility system (CHIMES).

~~Included in Technology Services Division/Reporting is $200 in general fund money each year for a semiannual report to the legislative finance committee and the children, families, health, and human services interim committee for the following:~~

~~(1) progress toward the goals presented to the joint appropriations subcommittee on health and human services in the division's final template; and~~

~~(2) attainment of measurable objectives as outlined in the division's final template presented to the joint appropriations subcommittee on health and human services.~~

~~If the reports are not received by the legislative finance committee by December 31, 2007, and June 30, 2008, the fiscal year 2009 general fund appropriation is reduced by $200.~~

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	Fiscal 2008					Fiscal 2009				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

Disability Services Division

Funding for MTAP New Technologies includes $1,065,000 in biennial state special revenue in fiscal year 2008 for the Montana telecommunications access program that is contingent upon passage of federal communication commission regulations requiring states to pay for new technologies related to video relay service (VRS) and internet protocol relay (IP). Funding for MTAP New Technologies may be expended only to replace federal funds for VRS and IP services.

~~Included in Disability Services Division/Reporting is $200 in general fund money each year for a semiannual report to the legislative finance committee and the children, families, health, and human services interim committee for the following:~~

~~(1) progress toward the goals presented to the joint appropriations subcommittee on health and human services in the division's final template; and~~

~~(2) attainment of measurable objectives as outlined in the division's final template presented to the joint appropriations subcommittee on health and human services.~~

~~If the reports are not received by the legislative finance committee by December 31, 2007, and June 30, 2008, the fiscal year 2009 general fund appropriation is reduced by $200.~~

Funding for DD Wait List Reduction may be expended only for developmental disabilities community services for persons who are on the waiting list and currently not receiving community services and for persons who are receiving some community services and are in need of further services.

Funds in Direct Care Worker Wage Increase may be used only to raise direct care worker wages and related benefits through an increase in provider rates. Funds in Direct Care Worker Wage Increase may not be used to offset any other wage increase mandated by any other laws, contracts, or written agreements, which will go into effect at the same time as or after implementation of the appropriation included in Direct Care Worker Wage Increase. Funds in Direct Care Worker Wage Increase must be used first to raise the lowest paid direct care workers up to $8.50 an hour and to raise related benefits, and the remaining balance may be used only to raise wages and related benefits of all direct care workers. To the extent of available appropriations, the department shall provide documentation that these funds are used solely for direct care worker wage and related benefits increases. The documentation must include initial wage rates, wage rates after the rate increases have been applied, and wage rates every 6 months after the rate increases have been granted. ~~Disability Services Division/Reporting includes funding for a semiannual report for the legislative finance committee and the children, families, health, and human services interim committee summarizing direct care wage rates.~~

Funds in Provider Rate Increase may be used only to raise provider rates.

Provider Rate Increase will be implemented starting October 1, 2007.

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	Fiscal 2008					Fiscal 2009				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

Health Resources Division

~~Included in Health Resources Division Administration/Reporting is $200 in general fund money each year for a semiannual report to the legislative finance committee and the children, families, health, and human services interim committee for the following:~~

~~(1) progress toward the goals presented to the joint appropriations subcommittee on health and human services in the division's final template; and~~

~~(2) attainment of measurable objectives as outlined in the division's final template presented to the joint appropriations subcommittee on health and human services.~~

~~If the reports are not received by the legislative finance committee by December 31, 2007, and June 30, 2008, the fiscal year 2009 general fund appropriation is reduced by $200.~~

Funds in Direct Care Worker Wage Increase may be used only to raise direct care worker wages and related benefits through an increase in provider rates. Funds in Direct Care Worker Wage Increase may not be used to offset any other wage increase mandated by any other laws, contracts, or written agreements, which will go into effect at the same time as or after implementation of the appropriation included in Direct Care Worker Wage Increase. Funds in Direct Care Worker Wage Increase must be used first to raise the lowest paid direct care workers to $8.50 an hour and to raise related benefits, and the remaining balance may be used only to raise wages and related benefits of all direct care workers. To the extent of available appropriations, the department shall provide documentation that these funds are used solely for direct care worker wage and related benefits increases. The documentation must include initial wage rates, wage rates after the rate increases have been applied, and wage rates every 6 months after the rate increases have been granted. ~~Health Resources Division Administration/Reporting includes funding for a semiannual report for the legislative finance committee and the children, families, health, and human services interim committee summarizing direct care wage rates.~~

Funds in Provider Rate Increase may be used only to raise provider rates.

Provider Rate Increase will be implemented starting October 1, 2007.

Hospital Utilization Fee is dependent upon passage and approval of Senate Bill No. 118 of the 2007 regular session. Funds in Hospital Utilization Fee may be used only for rate increases for medicaid services provided by hospitals.

Funds in Equalize Campus-Based Rates may be used only to raise medicaid rates for campus-based therapeutic youth group home providers as long as that level of care continues. Otherwise, the funds may be used to raise medicaid rates for therapeutic group home services.

Raise Physician Reimbursement may be used only to increase medicaid rates paid for physician services.

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	Fiscal 2008						Fiscal 2009					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

Funds in Medicaid Eligibility for Pregnant Women to 150% may be used only to provide medicaid services for infants up to 1 year of age and for pregnant women with incomes between 133% and 150% of the federal poverty index.

Revise Medically Needy Income Level may be used only to increase the amount of income that is disregarded in determining eligibility for medicaid for the medically needy category of eligibility.

Big Sky Rx Premium Assistance may be used only to pay all or a portion of the monthly premium payment for part d drug assistance for low-income persons who are eligible for medicare as allowed by 53-6-1201(3)(b).

Senior and Long-Term Care Division

~~Included in Senior and Long-Term Care Administration/Reporting is $200 in general fund money each year for a semiannual report to the legislative finance committee and the children, families, health, and human services interim committee for the following:~~

~~(1) progress toward the goals presented to the joint appropriations subcommittee on health and human services in the division's final template; and~~

~~(2) attainment of measurable objectives as outlined in the division's final template presented to the joint appropriations subcommittee on health and human services.~~

~~If the reports are not received by the legislative finance committee by December 31, 2007, and June 30, 2008, the fiscal year 2009 general fund appropriation is reduced by $200.~~

County Nursing Home Intergovernmental Transfer may be used only to make one-time payments to nursing homes based on the number of medicaid services provided.

Funds in IGT Offset may be used as medicaid matching funds for nursing home services and home-based services for aged and physically disabled persons only if the county nursing home intergovernmental transfer program is not sufficient to reimburse county nursing homes a net payment of at least $5 a day for medicaid services and other nursing homes a net payment of at least $2 a day for medicaid services. IGT Offset must be used only to fund a shortfall in the amount of county funds transferred as part of the county nursing home intergovernmental transfer program that is appropriated as state match for medicaid nursing home and home-based services.

Funds in Aging Services may be used only to expand community-based aging services.

Funding in Montana Veterans' Home Contingency Fund may be used only if federal and private revenue available from federal special revenue and private payment state special revenue appropriations in fiscal year 2008 or fiscal year 2009 are insufficient to operate the homes at capacity to maximize collection of federal and private payments. The office of budget and program planning shall notify the legislative finance committee when the appropriation will be used.

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	Fiscal 2008					Fiscal 2009				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

Funds in Direct Care Worker Wage Increase may be used only to raise direct care worker wages and related benefits through an increase in provider rates. Funds in Direct Care Worker Wage Increase may not be used to offset any other wage increase mandated by any other laws, contracts, or written agreements, which will go into effect at the same time as or after implementation of the appropriation included in Direct Care Worker Wage Increase. Funds in Direct Care Worker Wage Increase must be used first to raise the certified nurse aide and personal care attendant direct care worker wages and benefits to $8.50 an hour, including related benefits. Any remaining funds may be used only to raise wages, and related benefits, up to $0.70 an hour for direct care workers and other low-paid staff. To the extent of available appropriations, the department shall provide documentation that these funds are used solely for direct care worker wage and related benefits increases. The documentation must include initial wage rates, wage rates after the rate increases have been applied, and wage rates every 6 months after the rate increases have been granted. ~~Senior and Long-Term Care Administration/Reporting includes funding for a semiannual report for the legislative finance committee and the children, families, health, and human services interim committee summarizing direct care wage rates.~~

Funds in Provider Rate Increase may be used only to raise provider rates.

Resource Facilitation Service—Traumatic Brain Injury may be used only to fund community-based entities that assist persons with a traumatic brain injury to access services that aid recovery from their injuries.

Healthcare for Healthcare Workers may be used only for provider rate increases for contractors that provide in-home services administered by the senior and long-term care division and receive the majority of their income for those services from the medicaid program.

Addictive and Mental Disorders Division

~~Included in Addictive/Mental Disorders Administration/Reporting is $200 in general fund money each year for a semiannual report to the legislative finance committee and children, families, health, and human services interim committee for the following:~~

~~(1) progress toward the goals presented to the joint appropriations subcommittee on health and human services in the division's final template; and~~

~~(2) attainment of measurable objectives as outlined in the division's final template presented to the joint appropriations subcommittee on health and human services.~~

~~If the reports are not received by the legislative finance committee by December 31, 2007, and June 30, 2008, the fiscal year 2009 general fund appropriation is reduced by $200.~~

Funds in Direct Care Worker Wage Increase may be used only to raise direct care worker wages and related benefits through an increase in provider rates. Funds in Direct Care Worker Wage Increase may not be used to offset any other wage increase mandated by any other laws, contracts, or written agreements, which will go into effect at the same time as or after implementation of the appropriation included in Direct Care Worker Wage Increase. Funds in Direct Care Worker Wage Increase must be used first to raise the lowest paid direct care workers to $8.50 an hour and to raise related benefits, and the remaining balance may be used only to raise wages and related benefits of all direct care workers. To the extent of available appropriations, the department shall provide documentation that these funds

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	Fiscal 2008					Fiscal 2009				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

are used solely for direct care worker wage and related benefits increases. The documentation must include initial wage rates, wage rates after the rate increases have been applied, and wage rates every 6 months after the rate increases have been granted. ~~Addictive/Mental Disorders Administration/Reporting includes funding for a semiannual report for the legislative finance committee and the children, families, health, and human services interim committee summarizing direct care wage rates.~~

Behavioral Health Inpatient Facility may be used only to develop one or more behavioral health inpatient facilities as defined in 53-21-102(2). Behavioral Health Inpatient Facility may be used to pay for services and may not be used for construction of buildings. Behavioral Health Inpatient Facility is contingent upon passage and approval of Senate Bill No. 45 of the 2007 regular session.

Funds in Mental Health Drop-In Centers may be used only to support community drop-in centers for persons with a mental illness and to provide training for up to 60 consumers each fiscal year to perform peer specialist duties. Drop-in centers with staff who can assist persons with medication management must receive priority in consideration for funding.

Funds in Suicide Prevention may be used only to implement a comprehensive suicide prevention program, which at a minimum includes a suicide prevention officer, a comprehensive suicide reduction plan, and a 24-hour suicide prevention hotline.

Funding in Services for Mentally Ill Offenders may be used for two purposes only:

(1) services for adults under the supervision of the community corrections division in the department of corrections; and

(2) *training for community probation and parole officers.*

The services may include case management, treatment, transition support, and medication monitoring. Funding may be used to provide training to community probation and parole officers about mental illness and chemical dependency and about how to assist offenders to enroll in public benefit programs, if appropriate.

Funds in Expand Mental Health Services Plan may be used only to implement 53-21-702(2).

Funds in Provider Rate Increase may be used only to raise provider rates.

Provider Rate Increase will be implemented starting October 1, 2007.

Funding in Mentally Ill Offender Drugs may be used only to provide a prescription benefit for offenders leaving secure care who meet the criteria for serious mental illness and who have not been enrolled in public benefit programs. Benefits may include a 60-day supply of medications and other short-term medication purchases for offenders who become unstable and need medications and who are not eligible for other public prescription drug programs.

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Fiscal 2008						Fiscal 2009					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

72-Hour Crisis Eligibility may be used only to develop community mental health crisis services and for provision of psychiatric consulting services for community providers who manage and administer community mental health crisis services.

Methamphetamine Treatment may be used only to develop community treatment. Parents with children must be given priority consideration when selecting candidates to participate in the treatment funded by Methamphetamine Treatment.

Funding in Community Liaison Officers may be used only for five half-time staff in the addictive and mental disorders division to provide focused reentry support services, including assistance in accessing community services, to persons who are discharged from Montana state hospital. The legislature intends that the positions be filled by individuals who have a primary diagnosis of mental illness and are certified peer specialists. The goal of this service is to reduce readmissions to Montana state hospital at 30- and 60-day intervals, as a result of assisted reintegration to community settings.

Service Area Authority Grants may be used only to provide grants to service area authorities established in 53-21-1006.

TOTAL SECTION B											
377,886,025	128,785,357	1,006,484,835	0	0	1,513,156,217	399,859,231	117,760,565	1,064,146,830	0	0	1,581,766,626

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Fiscal 2008						Fiscal 2009					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
				C. NATURAL RESOURCES AND COMMERCE							
DEPARTMENT OF FISH, WILDLIFE, AND PARKS (5201)											
1. Information Services Division (01)											
0	3,692,047	159,789	0	0	3,851,836	0	3,770,291	159,937	0	0	3,930,228
2. Field Services Division (02)											
0	9,231,007	473,412	0	0	9,704,419	0	9,263,160	479,060	0	0	9,742,220
3. Fisheries Division (03)											
0	4,843,550	7,976,843	0	0	12,820,393	0	4,890,162	7,994,213	0	0	12,884,375
a. State Wildlife Grants (OTO)											
250,000	0	0	0	0	250,000	250,000	0	0	0	0	250,000
b. Warm Water Fisheries Enhancement (Restricted/Biennial/OTO)											
135,000	0	0	0	0	135,000	135,000	0	0	0	0	135,000
c. Cartersville Diversion Feasibility Study (Restricted/Biennial/OTO)											
55,000	0	0	0	0	55,000	55,000	0	0	0	0	55,000
4. Law Enforcement Division (04)											
0	7,968,979	397,831	0	0	8,366,810	0	7,947,403	398,759	0	0	8,346,162
a. Warden Vacancy Savings											
0	212,545	9,691	0	0	222,236	0	213,424	6,737	0	0	220,161
b. Increased Snowmobile Fees											
0	10,573	0	0	0	10,573	0	10,573	0	0	0	10,573
5. Wildlife Division (05)											
0	4,951,482	4,718,543	0	0	9,670,025	0	4,967,409	4,734,514	0	0	9,701,923
a. Harvest Automation (Biennial/OTO)											
0	10,000	30,000	0	0	40,000	0	10,000	30,000	0	0	40,000
b. Black Bear Research (OTO)											
0	8,620	25,859	0	0	34,479	0	8,620	25,859	0	0	34,479
c. State Wildlife Grants (OTO)											

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Fiscal 2008						Fiscal 2009					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
250,000	0	0	0	0	250,000	250,000	0	0	0	0	250,000
6. Parks Division (06)											
0	7,550,424	213,960	0	0	7,764,384	0	7,575,151	213,960	0	0	7,789,111
a. Snowmobile Equipment (Biennial)											
0	185,000	0	0	0	185,000	0	185,000	0	0	0	185,000
b. Increased Snowmobile Fees											
0	80,883	0	0	0	80,883	0	80,883	0	0	0	80,883
c. Rattlesnake Footbridge and Bike Trail at Pine Street (Restricted/Biennial/OTO)											
0	0	37,500	0	0	37,500	0	0	37,500	0	0	37,500
7. Conservation Education Division (08)											
0	2,411,997	719,430	0	0	3,131,427	0	2,421,202	719,430	0	0	3,140,632
a. Shooting Range Grants (Biennial)											
0	450,000	0	0	0	450,000	0	450,000	0	0	0	450,000
8. Management and Finance (09)											
0	9,498,339	33,696	0	0	9,532,035	0	9,522,643	33,697	0	0	9,556,340
a. Legislative Audit (Restricted/Biennial)											
0	91,422	16,134	0	0	107,556	0	0	0	0	0	0
b. Office Rent Increase (Restricted)											
0	15,000	0	0	0	15,000	0	15,000	0	0	0	15,000
c. Increased Snowmobile Fees											
0	5,287	0	0	0	5,287	0	5,287	0	0	0	5,287
Total											
690,000	51,217,155	14,812,688	0	0	66,719,843	690,000	51,336,208	14,833,666	0	0	66,859,874

During the 2009 biennium, if the department obtains federal funding for the operations of the Fort Peck fish hatchery, it must be used to replace state special revenue approved to fund personal services and operational costs of the hatchery.

Warm Water Fisheries Enhancement is restricted to the following projects:

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	Fiscal 2008						Fiscal 2009				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
(1) completion of a fish passage around the T&Y irrigation district diversion dam on the Tongue River; and											
(2) removal of the S&H diversion dam on the Tongue River.											
If Senate Bill No. 205 of the 2007 regular session is not passed and approved, Warden Vacancy Savings is void.											
Harvest Automation includes funding for an annual report to the environmental quality council summarizing harvest estimates and hunting pressure for big game and upland game birds for the most recently completed hunting season for these species.											
Office Rent Increase is restricted to increases associated with the relocation of the Lewistown and Havre offices.											
DEPARTMENT OF ENVIRONMENTAL QUALITY (5301)											
1. Central Management Program (10)											
374,793	1,320,682	558,239	0	0	2,253,714	376,240	1,330,128	557,902	0	0	2,264,270
a. Business Process Improvement (OTO)											
987,619	0	0	0	0	987,619	788,773	0	0	0	0	788,773
2. Planning, Prevention, and Assistance Division (20)											
2,885,269	1,142,540	9,039,651	0	0	13,067,460	2,893,930	1,129,131	9,094,063	0	0	13,117,124
a. Biofuels Testing (OTO)											
250,000	0	0	0	0	250,000	0	0	0	0	0	0
b. Recycling and Electronic Waste Disposal Education											
16,500	0	0	0	0	16,500	16,500	0	0	0	0	16,500
3. Enforcement Division (30)											
514,035	350,124	314,446	0	0	1,178,605	504,696	349,742	314,102	0	0	1,168,540
4. Remediation Division (40)											
0	2,325,666	8,549,209	0	0	10,874,875	0	2,325,738	8,589,622	0	0	10,915,360
a. Accelerated Remediation — Selected CECRA Sites (Restricted/Biennial/OTO)											
1,000,000	0	0	0	0	1,000,000	1,000,000	0	0	0	0	1,000,000
b. Orphan Share (Restricted/Biennial/OTO)											

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Fiscal 2008						Fiscal 2009					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
0	1,200,000	0	0	0	1,200,000	0	1,200,000	0	0	0	1,200,000
c. Mine Waste Cleanup (Biennial)											
0	0	366,753	0	0	366,753	0	0	366,752	0	0	366,752
d. Hazardous Waste Cleanup LUST Trust (Biennial)											
0	99,881	0	0	0	99,881	0	99,880	0	0	0	99,880
5. Permitting and Compliance Division (50)											
1,084,077	13,795,782	5,277,720	0	0	20,157,579	1,085,265	13,797,373	5,276,296	0	0	20,158,934
a. Industrial Wastewater Operator Cert. (Biennial/OTO)											
0	33,438	0	0	0	33,438	0	33,750	0	0	0	33,750
b. High Strength Wastewater Std. (Biennial/OTO)											
0	30,900	0	0	0	30,900	0	31,200	0	0	0	31,200
c. Brownfields Grant (Biennial)											
0	0	119,600	0	0	119,600	0	0	118,450	0	0	118,450
d. Onsite Wastewater Operator Cert. (Biennial/OTO)											
0	82,400	0	0	0	82,400	0	83,200	0	0	0	83,200
e. Swift Gulch Drainage System (Biennial/OTO)											
500,000	0	0	0	0	500,000	0	0	0	0	0	0
f. Hard Rock and MFSA (Restricted/Biennial)											
0	1,820,367	1,240,764	0	0	3,061,131	0	1,837,867	1,253,264	0	0	3,091,131
g. Air Regulatory Assistance (Restricted/Biennial/OTO)											
0	257,500	0	0	0	257,500	0	260,000	0	0	0	260,000
h. Gray Water Permit											
0	10,000	0	0	0	10,000	0	0	0	0	0	0
i. Increased County Junk Vehicle Grants											
0	171,397	0	0	0	171,397	0	173,593	0	0	0	173,593
6. Petroleum Tank Release Compensation Board (90)											
0	671,587	0	0	0	671,587	0	673,873	0	0	0	673,873

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	Fiscal 2008						Fiscal 2009				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
Total											
7,612,293	23,312,264	25,466,382	0	0	56,390,939	6,665,404	23,325,475	25,570,451	0	0	55,561,330

Accelerated Remediation—Selected CECRA Sites is limited to remedial investigation of the upper Blackfoot mining complex. ~~The department shall provide semiannual reports to the environmental quality council regarding the progress toward the following milestones for the upper Blackfoot mining complex:~~

~~(1) December 2007 — completion of the remedial investigation plan;~~

~~(2) September 2008 — completion of field work; and~~

~~(3) January 2009 — completion of the remedial investigation report.~~

The department is appropriated up to $250,000 of the funds recovered under the petroleum tank compensation board subrogation program in the 2009 biennium for the purpose of paying contract expenses related to the recovery of funds.

DEPARTMENT OF LIVESTOCK (5603)

1. Centralized Services Program (01)											
0	1,950,970	0	0	0	1,950,970	0	1,957,683	0	0	0	1,957,683
a. Legislative Audit (Restricted/Biennial)											
0	31,634	0	0	0	31,634	0	0	0	0	0	0
b. Board of Horseracing Support (Biennial/OTO)											
175,000	0	0	0	0	175,000	175,000	0	0	0	0	175,000
c. Department Wide IT Equipment Replacement (Restricted)											
0	6,763	0	0	0	6,763	0	4,683	0	0	0	4,683
d. Telephone Account Wagering on Internet Horseracing — HB 390											
0	182,000	0	0	0	182,000	0	182,000	0	0	0	182,000
e. Livestock Loss Reduction and Mitigation (Restricted/Biennial/OTO)											
30,000	0	0	0	0	30,000	0	0	0	0	0	0
f. Parimutuel Wagering on Fantasy Sports Leagues — HB 616 (Restricted)											
0	316,000	0	0	0	316,000	0	149,934	0	0	0	149,934

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	Fiscal 2008						Fiscal 2009				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
2. Diagnostic Laboratory Program (03)											
439,888	1,130,523	0	0	0	1,570,411	439,896	1,090,848	0	0	0	1,530,744
a. Diagnostic Lab PCR Technology (OTO)											
0	62,272	0	0	0	62,272	0	50,812	0	0	0	50,812
3. Animal Health Division (04)											
0	520,447	942,647	0	0	1,463,094	0	523,737	942,568	0	0	1,466,305
a. Animal Health Division Vehicle Replacement (Restricted/OTO)											
0	0	0	0	0	0	0	26,000	0	0	0	26,000
4. Milk and Egg Program (05)											
0	282,067	32,842	0	0	314,909	0	283,014	32,841	0	0	315,855
a. Milk and Egg Bureau Vehicle Replacement (Restricted/OTO)											
0	26,000	0	0	0	26,000	0	0	0	0	0	0
5. Brands Enforcement Division (06)											
0	2,870,886	0	0	0	2,870,886	0	2,882,893	0	0	0	2,882,893
a. Brand Division Vehicle Replacement (Restricted/OTO)											
0	120,712	0	0	0	120,712	0	94,712	0	0	0	94,712
6. Meat and Poultry Inspection Program (10)											
562,725	6,475	562,725	0	0	1,131,925	564,693	6,475	564,693	0	0	1,135,861
a. Meat Plant Inspector (Restricted)											
22,673	0	22,674	0	0	45,347	20,542	0	20,542	0	0	41,084
b. FAIM Computer Maintenance Contract (Restricted/OTO)											
3,261	0	3,261	0	0	6,522	3,261	0	3,261	0	0	6,522
Total											
1,233,547	7,506,749	1,564,149	0	0	10,304,445	1,203,392	7,252,791	1,563,905	0	0	10,020,088

Livestock Loss Reduction and Mitigation may be used only to compensate livestock owners for losses caused by wolves.

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Fiscal 2008						Fiscal 2009					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION (5706)											
1. Centralized Services (21)											
2,179,654	724,696	99,995	0	0	3,004,345	2,269,550	663,283	75,000	0	0	3,007,833
a. Legislative Audit (Restricted/Biennial)											
110,720	0	0	0	0	110,720	0	0	0	0	0	0
b. GIS Enterprise Equipment IT (OTO)											
105,000	0	0	0	0	105,000	25,000	0	0	0	0	25,000
2. Oil and Gas Conservation Division (22)											
0	2,055,850	0	0	0	2,055,850	0	2,074,651	0	0	0	2,074,651
a. Oil and Gas Public Access Data System (OTO)											
0	212,669	0	0	0	212,669	0	212,696	0	0	0	212,696
b. North American Expo (Biennial/OTO)											
0	7,500	0	0	0	7,500	0	7,500	0	0	0	7,500
c. Temporary Relocation (Restricted/Biennial/OTO)											
0	32,500	0	0	0	32,500	0	32,500	0	0	0	32,500
d. Educational Outreach (Biennial)											
0	62,500	0	0	0	62,500	0	62,500	0	0	0	62,500
3. Conservation and Resource Development Division (23)											
1,445,723	2,949,409	265,948	0	0	4,661,080	1,447,760	2,952,084	273,608	0	0	4,673,452
a. Missouri River Council (Restricted)											
0	114,000	0	0	0	114,000	0	114,000	0	0	0	114,000
b. Conservation District Operation — Coal Bed Methane (Restricted)											
0	100,000	0	0	0	100,000	0	100,000	0	0	0	100,000
c. Purchase of Prior Liens (Restricted/Biennial/OTO)											
0	300,000	0	0	0	300,000	0	300,000	0	0	0	300,000
d. Montana Rural Water Systems (Restricted/Biennial/OTO)											
101,500	0	0	0	0	101,500	101,500	0	0	0	0	101,500

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Fiscal 2008						Fiscal 2009					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
e. State Restoration Coordinator (Biennial)											
0	75,000	0	0	0	75,000	0	75,000	0	0	0	75,000
f. Integrated State Grant and Restoration Planning (Biennial/OTO)											
0	100,000	0	0	0	100,000	0	100,000	0	0	0	100,000
g. Economic Analysis of Irrigated Agriculture (Restricted/Biennial/OTO)											
100,000	0	0	0	0	100,000	100,000	0	0	0	0	100,000
4. Water Resources Division (24)											
7,011,065	4,402,377	199,168	0	0	11,612,610	7,275,447	4,406,729	199,289	0	0	11,881,465
a. State Water Projects Rehabilitation (Restricted/Biennial/OTO)											
0	1,895,000	0	0	0	1,895,000	0	25,000	0	0	0	25,000
b. Broadwater Dam Equipment (Restricted/Biennial/OTO)											
0	500,000	0	0	0	500,000	0	500,000	0	0	0	500,000
c. Broadwater Missouri Diversion (Restricted/Biennial/OTO)											
0	35,000	0	0	0	35,000	0	35,000	0	0	0	35,000
d. Repair of State Water Projects (Restricted/Biennial/OTO)											
0	250,000	0	0	0	250,000	0	250,000	0	0	0	250,000
e. Yellowstone Compact Study and Hydrologist (Restricted)											
119,602	0	0	0	0	119,602	113,794	0	0	0	0	113,794
f. Clark Fork River Basin Task Force (OTO)											
45,000	0	0	0	0	45,000	45,000	0	0	0	0	45,000
g. Water Rights Ownership Updates											
0	247,907	0	0	0	247,907	0	0	0	0	0	0
h. Ground Water Assessments											
257,995	18,000	0	0	0	275,995	246,965	18,000	0	0	0	264,965
i. United States Forest Service Water Compact											
50,497	15,084	0	0	0	65,581	47,821	14,284	0	0	0	62,105
j. Hungry Horse Dam Water Leasing Study (Restricted/Biennial/OTO)											

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	Fiscal 2008					Fiscal 2009				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
130,000	0	0	0	0	130,000	130,000	0	0	0	0	130,000
5. Reserved Water Rights Compact Commission (25)											
704,733	0	0	0	0	704,733	461,234	0	0	0	0	461,234
a. Contracted Services (OTO)											
97,500	0	0	0	0	97,500	97,500	0	0	0	0	97,500
6. Forestry and Trust Lands (35)											
8,743,175	14,448,453	1,285,113	0	0	24,476,741	8,785,951	14,498,716	1,286,503	0	0	24,571,170
a. Woody Biomass Utilization Program (OTO)											
250,000	0	0	0	0	250,000	250,000	0	0	0	0	250,000
b. Fire Fighting Equipment (Restricted/Biennial/OTO)											
1,000,000	0	0	0	0	1,000,000	0	0	0	0	0	0
c. Reliance Refinery (Biennial/OTO)											
0	500,000	0	0	0	500,000	0	500,000	0	0	0	500,000
d. Contract Timber Harvesting (Restricted)											
0	0	0	0	0	0	0	280,000	0	0	0	280,000
e. Access Acquisition (Biennial)											
0	100,000	0	0	0	100,000	0	100,000	0	0	0	100,000
f. Weed Control on State Lands											
0	5,000	0	0	0	5,000	0	5,000	0	0	0	5,000
g. Independent Staff — Board of Land Commissioners											
0	135,000	0	0	0	135,000	0	135,000	0	0	0	135,000
Total											
22,452,164	29,285,945	1,850,224	0	0	53,588,333	21,397,522	27,461,943	1,834,400	0	0	50,693,865

~~Oil and Gas Public Access Data System funding in fiscal year 2009 is contingent upon provision of an annual report to the environmental quality council by June 2008 detailing progress on the access project.~~

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	Fiscal 2008						Fiscal 2009					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

~~Missouri River Council funding in fiscal year 2009 is contingent upon provision of an annual report to the environmental quality council by June 2008 regarding the Missouri River council's progress towards its goals.~~

Conservation District Operation—Coal Bed Methane is restricted to the costs associated with managing the coal bed methane water damage program.

During the 2009 biennium, the department is appropriated up to $1 million of state special revenue from the coal bed methane account to fund potential landowner or water right holder claims for emergency loss of water related to coal bed methane development.

During the 2009 biennium, if Montana Rural Water Systems receives federal funding, Montana Rural Water Systems is reduced by a like amount.

Economic Analysis of Irrigated Agriculture is restricted to contracted services for the purposes of determining the economic benefits of irrigation, the impact of new irrigation projects, and the rehabilitation needs of older irrigation projects. ~~The department shall provide to the interim water policy committee the scoping document of the study prior to release of the request for proposal to complete the study.~~ A final written report must be provided to the interim water policy committee by September 15, 2008.

State Water Projects Rehabilitation is restricted to survey expenditures and rehabilitation of the following projects:

(1) Ackley Lake dam;

(2) Cataract dam;

(3) Deadman's Basin dam; and

(4) Flint Creek east fork siphon.

~~The Reserved Water Rights Compact Commission fiscal year 2009 appropriation is contingent upon the delivery of a transition plan that addresses workload changes from negotiation to implementation of water compacts to the environmental quality council by June 30, 2008.~~

Fire Fighting Equipment is restricted to the purchase of title to the department's helicopters. If the purchase is less than $1 million, the department may use the balance of the appropriation for the purchase of equipment for the county cooperative program.

If Senate Bill No. 25 of the 2007 regular session is not passed and approved, Contract Timber Harvesting is void.

If Senate Bill No. 8 of the 2007 regular session is not passed and approved, Independent Staff — Board of Land Commissioners is void.

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Fiscal 2008						Fiscal 2009					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
DEPARTMENT OF AGRICULTURE (6201)											
1. Central Management Division (15)											
97,242	693,330	95,000	83,874	0	969,446	104,757	694,399	95,000	84,021	0	978,177
a. Legislative Audit (Restricted/Biennial)											
41,124	0	0	0	0	41,124	0	0	0	0	0	0
b. E-Government Information Technology (OTO)											
51,894	87,250	18,000	750	0	157,894	49,250	0	0	13,000	0	62,250
2. Agricultural Sciences Division (30)											
278,056	5,729,095	2,100,387	0	0	8,107,538	278,422	5,720,979	2,491,601	0	0	8,491,002
a. Noxious Weed Trust Fund Grants Increase (OTO)											
0	0	0	0	0	0	0	409,136	0	0	0	409,136
b. Bozeman Lab Equipment (Biennial/OTO)											
0	300,000	0	0	0	300,000	0	0	0	0	0	0
c. Bovine Spongiform Encephalopathy Lab Equipment (Biennial)											
50,000	0	0	0	0	50,000	0	0	0	0	0	0
d. Revise Nursery Laws — HB 569											
0	34,598	0	0	0	34,598	0	34,598	0	0	0	34,598
3. Agricultural Development Division (50)											
389,740	3,681,617	25,000	339,911	0	4,436,268	391,771	3,684,131	25,000	340,900	0	4,441,802
a. Montana State Hail Insurance Database (Biennial/OTO)											
0	0	0	100,000	0	100,000	0	0	0	0	0	0
b. Montana Certified Beef Natural Marketing Program — SB 544											
0	0	0	0	0	0	0	5,000	0	0	0	5,000
c. Increase Payment to Advisory Board Members — SB 62											
0	11,375	125	250	0	11,750	0	11,659	128	256	0	12,043

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	Fiscal 2008					Fiscal 2009				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
Total											
908,056	10,537,265	2,238,512	524,785	0	14,208,618	824,200	10,559,902	2,611,729	438,177	0	14,434,008
DEPARTMENT OF COMMERCE (6501)											
1. Business Resources Division (51)											
1,972,594	2,313,308	4,771,826	0	0	9,057,728	1,980,642	2,313,407	4,771,827	0	0	9,065,876
a. Legislative Audit (Restricted/Biennial)											
3,917	1,382	3,918	0	0	9,217	0	0	0	0	0	0
b. New Worker Training (OTO)											
3,997,361	0	0	0	0	3,997,361	3,997,450	0	0	0	0	3,997,450
c. Tribal Economic Development (OTO)											
798,496	0	0	0	0	798,496	798,548	0	0	0	0	798,548
d. Montana Capital Investment Board (OTO)											
146,936	0	0	0	0	146,936	73,210	73,209	0	0	0	146,419
e. Biomedical Research (Biennial/OTO)											
2,000,000	0	0	0	0	2,000,000	0	0	0	0	0	0
f. Federal Grant Adjustment (Restricted/OTO)											
0	0	2,014,785	0	0	2,014,785	0	0	0	0	0	0
g. Main Street (OTO)											
123,496	0	0	0	0	123,496	123,548	0	0	0	0	123,548
h. Made in Montana (OTO)											
100,000	0	0	0	0	100,000	100,000	0	0	0	0	100,000
2. Montana Promotion Division (52)											
0	490,760	0	0	0	490,760	0	490,760	0	0	0	490,760
a. Legislative Audit (Restricted/Biennial)											
0	19,595	0	0	0	19,595	0	0	0	0	0	0
b. Private Funds (Restricted)											
0	259,240	0	0	0	259,240	0	259,240	0	0	0	259,240

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Fiscal 2008						Fiscal 2009					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
3. Community Development Division (60)											
415,689	1,154,373	6,225,672	0	0	7,795,734	416,452	1,156,334	6,225,785	0	0	7,798,571
a. Legislative Audit (Restricted/Biennial)											
2,562	2,113	2,562	0	0	7,237	0	0	0	0	0	0
b. Coal Board Grants (Biennial)											
0	2,000,000	0	0	0	2,000,000	0	0	0	0	0	0
c. Hard-Rock Mining Reserve (Restricted)											
0	100,000	0	0	0	100,000	0	100,000	0	0	0	100,000
d. Federal Grant Adjustment (Restricted/OTO)											
0	0	8,839,887	0	0	8,839,887	0	0	0	0	0	0
e. Energy Infrastructure Promotion and Development (OTO)											
330,000	0	0	0	0	330,000	330,000	0	0	0	0	330,000
4. Housing Division (74)											
53,837	0	6,089,717	0	0	6,143,554	50,407	0	6,091,290	0	0	6,141,697
a. Legislative Audit (Restricted/Biennial)											
0	0	4,705	0	0	4,705	0	0	0	0	0	0
b. Manufactured Home Revolving Loan SSR Transfer (OTO)											
354,886	0	0	0	0	354,886	0	0	0	0	0	0
c. Federal Grants Adjustment (Restricted/OTO)											
0	0	5,234,938	0	0	5,234,938	0	0	0	0	0	0
d. Manufactured Home Revolving Loan SSR Payments (Biennial)											
0	177,443	0	0	0	177,443	0	177,443	0	0	0	177,443
5. Director's Office/Management Services Division (81)											
0	0	725,646	0	0	725,646	0	0	725,646	0	0	725,646
Total											
10,299,774	6,518,214	33,913,656	0	0	50,731,644	7,870,257	4,570,393	17,814,548	0	0	30,255,198

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	Fiscal 2008					Fiscal 2009				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

~~Tribal Economic Development includes $200 for semiannual reports to the legislative finance committee, state-tribal relations committee, and members of the joint appropriations subcommittee on natural resources and commerce for the following:~~

~~(1) progress toward the goals presented to the joint appropriations subcommittee on natural resources and commerce in the budget analysis expanded narrative and justification accompanying the department's funding request;~~

~~(2) attainment of measurable objectives as outlined in the budget analysis expanded narrative and justification accompanying the department's funding request.~~

~~The department shall provide the reports to the legislative finance committee, state-tribal relations committee, and members of the joint appropriations subcommittee on natural resources and commerce by December 31, 2007, and June 30, 2008.~~

TOTAL SECTION C											
43,195,834	128,377,592	79,845,611	524,785	0	251,943,822	38,650,775	124,506,712	64,228,699	438,177	0	227,824,363

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	Fiscal 2008						Fiscal 2009				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
				D. CORRECTIONS AND PUBLIC SAFETY							
CRIME CONTROL DIVISION (4107)											
1. Justice System Support Service (01)											
1,319,767	9,739	551,303	0	0	1,880,809	1,339,766	9,872	557,910	0	0	1,907,548
a. Pass-Through Grants (Biennial)											
904,559	90,000	6,214,257	0	0	7,208,816	904,559	90,000	6,214,257	0	0	7,208,816
Total											
2,224,326	99,739	6,765,560	0	0	9,089,625	2,244,325	99,872	6,772,167	0	0	9,116,364

Justice System Support Service includes a reduction of 0.5 FTE and general fund money of $19,965 in fiscal year 2008 and fiscal year 2009 that is contingent upon passage and approval of Senate Bill No. 273 of the 2007 regular session. If Senate Bill No. 273 is not passed and approved, FTE and funding in Justice System Support Service are increased by this amount.

All remaining pass-through grant appropriations, up to $100,000 in general fund money, $180,000 in state special revenue, and $12,428,514 in federal funds, including reversions, for the 2007 biennium are authorized to continue and are appropriated in fiscal year 2008 and fiscal year 2009.

DEPARTMENT OF JUSTICE (4110)											
1. Legal Services Division (01)											
4,983,466	342,316	560,968	0	0	5,886,750	4,997,686	342,599	559,845	0	0	5,900,130
a. Major Litigation — Wyoming (Biennial/OTO)											
3,000,000	0	0	0	0	3,000,000	0	0	0	0	0	0
2. Office of Consumer Protection (02)											
0	557,813	0	0	0	557,813	0	560,957	0	0	0	560,957
a. Forensic Rape Examination Program (Biennial)											
17,500	0	0	0	0	17,500	17,500	0	0	0	0	17,500
b. Consumer Protection Litigation (Biennial)											
0	100,000	0	0	0	100,000	0	100,000	0	0	0	100,000
3. Gambling Control Division (07)											

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Fiscal 2008						Fiscal 2009					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
0	2,541,356	0	1,075,430	0	3,616,786	0	2,527,291	0	1,051,943	0	3,579,234
a. Gambling Database (Biennial/OTO)											
0	85,250	0	0	0	85,250	0	85,250	0	0	0	85,250
4. Motor Vehicle Division (12)											
7,024,891	4,998,546	0	536,126	0	12,559,563	7,038,530	5,007,578	0	536,126	0	12,582,234
a. Base Adjustment HB 577 Debt Payments (Biennial)											
0	800,000	0	0	0	800,000	0	775,000	0	0	0	775,000
b. Base Adjustment HB 261 Debt Payments (Biennial)											
0	2,500,000	0	0	0	2,500,000	0	3,500,000	0	0	0	3,500,000
c. MV Proprietary Account Spend Authority (Biennial)											
0	0	0	25,000	0	25,000	0	0	0	25,000	0	25,000
5. Highway Patrol Division (13)											
175,039	22,689,544	0	0	0	22,864,583	176,690	22,978,541	0	0	0	23,155,231
a. HB 781 — Racial Profiling (OTO)											
161,750	0	0	0	0	161,750	0	0	0	0	0	0
6. Division of Criminal Investigation (18)											
4,172,077	1,878,709	1,107,110	0	0	7,157,896	4,203,833	1,881,260	1,110,719	0	0	7,195,812
a. Methamphetamine Watch Program (Restricted/Biennial/OTO)											
1,000,000	0	0	0	0	1,000,000	0	0	0	0	0	0
b. Child Sexual Abuse Support Function (Restricted/Biennial)											
250,000	0	0	0	0	250,000	250,000	0	0	0	0	250,000
7. Central Services Division (28)											
379,035	610,663	0	63,171	0	1,052,869	381,274	614,275	0	63,545	0	1,059,094
a. Legislative Audit (Restricted/Biennial)											
34,003	43,500	0	1,582	0	79,085	0	0	0	0	0	0
8. Information Technology Services Division (29)											
3,310,245	1,719,346	3,392	13,321	0	5,046,304	3,325,974	1,347,980	3,392	13,321	0	4,690,667

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Fiscal 2008						Fiscal 2009					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
a. Additional Spending Authority for IRIS Broker (Biennial)											
0	375,000	0	0	0	375,000	0	375,000	0	0	0	375,000
9. Forensic Science Division (32)											
3,612,913	303,204	0	0	0	3,916,117	3,624,425	303,204	0	0	0	3,927,629
a. Crime Lab Equipment (Restricted/Biennial/OTO)											
115,375	0	0	0	0	115,375	115,375	0	0	0	0	115,375
b. Forensic Science Lab — Records Management (OTO)											
52,000	0	0	0	0	52,000	0	0	0	0	0	0
c. Child Forensic Interview Specialist (Restricted)											
95,885	0	0	0	0	95,885	92,121	0	0	0	0	92,121
Total											
28,384,179	39,545,247	1,671,470	1,714,630	0	71,315,526	24,223,408	40,398,935	1,673,956	1,689,935	0	67,986,234

Division of Criminal Investigation includes 1.5 FTE and general fund money of $85,214 in fiscal year 2008 and $82,575 in fiscal year 2009 that are contingent upon passage and approval of Senate Bill No. 273 of the 2007 regular session. If Senate Bill No. 273 is not passed and approved, FTE and funding in Division of Criminal Investigation are reduced by this amount.

Methamphetamine Watch Program may be used only for the purpose of making grants for community awareness, as provided 44-4-1002(3), to private, nonprofit programs engaged in public awareness media campaigns to combat the use of methamphetamine, especially among the young.

Child Sexual Abuse Support Function may be used only to provide technical assistance and support to local governments and entities to respond to reports of child sexual abuse, including forensic interview training, equipment to document interviews, and assistance to multidisciplinary teams, using the cornerhouse model of training.

Funding in Child Forensic Interview Specialist may be used only to support a forensic scientist specializing in processing of evidence in child abuse and neglect cases, for conducting forensic interviews of children in child abuse and neglect cases, and for related costs.

PUBLIC SERVICE COMMISSION (4201)

1. Public Service Regulation Program (01)											
0	3,122,844	20,001	0	0	3,142,845	0	3,134,452	20,001	0	0	3,154,453

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	Fiscal 2008						Fiscal 2009				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
a. Legislative Audit (Restricted/Biennial)											
0	22,144	0	0	0	22,144	0	0	0	0	0	0
b. Pay Retirement Benefits (Restricted/Biennial/OTO)											
0	72,128	0	0	0	72,128	0	0	0	0	0	0
Total											
0	3,217,116	20,001	0	0	3,237,117	0	3,134,452	20,001	0	0	3,154,453
DEPARTMENT OF CORRECTIONS (6401)											
1. Administration and Support Services (01)											
13,706,284	337,460	0	75,581	0	14,119,325	13,938,570	332,502	0	75,041	0	14,346,113
a. Legislative Audit (Restricted/Biennial)											
30,294	0	0	0	0	30,294	0	0	0	0	0	0
b. BOPP ACA Reaccreditation Fee (Restricted/Biennial/OTO)											
3,000	0	0	0	0	3,000	3,000	0	0	0	0	3,000
c. Correctional Staff Scheduling Software (Restricted/OTO)											
219,200	0	0	0	0	219,200	0	0	0	0	0	0
d. Correctional Staff Scheduling Software — Maintenance (Restricted)											
27,800	0	0	0	0	27,800	27,800	0	0	0	0	27,800
e. Commissary, Inmate Banking, Rest. Software (Restricted/OTO)											
125,000	125,000	0	0	0	250,000	0	0	0	0	0	0
f. Commissary, Inmate Banking, Rest. Software — Maintenance (Restricted)											
0	0	0	0	0	0	17,500	17,500	0	0	0	35,000
g. MSP Fiber Plant Upgrade (Restricted/OTO)											
323,250	0	0	0	0	323,250	0	0	0	0	0	0
h. MSP Fiber Plant Upgrade — Maintenance (Restricted)											
26,750	0	0	0	0	26,750	26,750	0	0	0	0	26,750
i. Information Technology Service Upgrades (OTO)											

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Fiscal 2008						Fiscal 2009					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
170,000	0	0	0	0	170,000	130,000	0	0	0	0	130,000
j. BOPP Software and Scanner (Restricted/OTO)											
12,927	0	0	0	0	12,927	12,927	0	0	0	0	12,927
k. Electronic Storage and Workflow (Restricted/OTO)											
150,000	0	0	0	0	150,000	150,000	0	0	0	0	150,000
l. Video Conferencing Expansion (OTO)											
54,000	0	0	0	0	54,000	0	0	0	0	0	0
m. Interoperable Communications (Biennial/OTO)											
2,622,424	0	0	0	0	2,622,424	0	0	0	0	0	0
2. Community Corrections (02)											
36,221,963	554,169	0	0	0	36,776,132	36,990,421	554,169	0	0	0	37,544,590
a. Annualize Prerelease Beds (Biennial)											
4,541,342	0	0	0	0	4,541,342	4,541,342	0	0	0	0	4,541,342
b. Annualize 120 Meth Beds (Biennial)											
4,255,360	0	0	0	0	4,255,360	4,258,232	0	0	0	0	4,258,232
c. Annualize START Beds (Biennial)											
1,231,015	0	0	0	0	1,231,015	1,231,015	0	0	0	0	1,231,015
d. Annualize Conn/WATCh/BASC Beds (Biennial)											
2,382,684	0	0	0	0	2,382,684	2,382,684	0	0	0	0	2,382,684
e. Additional 80 Prerelease Beds, NW MT (Biennial)											
0	0	0	0	0	0	1,186,250	0	0	0	0	1,186,250
3. Secure Facilities (03) (Biennial)											
68,527,667	100,000	0	0	0	68,627,667	68,665,451	100,000	0	0	0	68,765,451
a. MSP Supplies (OTO)											
356,155	0	0	0	0	356,155	0	0	0	0	0	0
b. MSP Supplies, New (OTO)											
140,348	0	0	0	0	140,348	0	0	0	0	0	0

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	Fiscal 2008						Fiscal 2009				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
c. MSP Staff Transportation (Restricted/OTO)											
161,223	0	0	0	0	161,223	161,223	0	0	0	0	161,223
d. MWP Security/Training Equipment (Restricted/OTO)											
152,915	0	0	0	0	152,915	0	0	0	0	0	0
e. Secure Care Provider Rate Increase (Biennial)											
3,140,760	0	0	0	0	3,140,760	4,085,831	0	0	0	0	4,085,831
f. Adjust Contract Beds Population Growth (Biennial)											
4,227,300	0	0	0	0	4,227,300	12,053,213	0	0	0	0	12,053,213
g. MSP Replacement Equipment (OTO)											
162,500	0	0	0	0	162,500	216,000	0	0	0	0	216,000
h. Montana State Prison, Additional FTE (Restricted)											
618,319	0	0	0	0	618,319	639,960	0	0	0	0	639,960
i. SB 547 — Additional Sex Offender Treatment Hours											
492,158	0	0	0	0	492,158	1,359,997	0	0	0	0	1,359,997
4. Montana Correctional Enterprises (04)											
2,328,983	1,793,160	0	466,488	0	4,588,631	2,331,460	1,793,161	0	467,048	0	4,591,669
5. Juvenile Corrections (05)											
18,088,134	850,885	223,376	0	0	19,162,395	18,145,703	850,885	223,376	0	0	19,219,964
a. RYCF Safety and Security Equipment (OTO)											
60,100	0	0	0	0	60,100	0	0	0	0	0	0
b. Juvenile Reentry Program (Restricted/OTO)											
878,348	0	0	0	0	878,348	878,544	0	0	0	0	878,544
c. RYCF Commercial Kitchen Equipment (OTO)											
35,000	0	0	0	0	35,000	0	0	0	0	0	0
d. PHYCF Safety and Security Equipment (Restricted/OTO)											
161,000	0	0	0	0	161,000	0	0	0	0	0	0
e. PHYCF Gym Floor Replace (Restricted/OTO)											

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Fiscal 2008						Fiscal 2009					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
140,000	0	0	0	0	140,000	0	0	0	0	0	0
f. PHYCF Laundry Equipment (OTO)											
50,900	0	0	0	0	50,900	0	0	0	0	0	0
g. Youth Corrections Facilities, Additional FTE (Restricted)											
245,000	0	0	0	0	245,000	245,000	0	0	0	0	245,000
h. SB 146 — Transportation From Youth Secure Facility											
2,501	0	0	0	0	2,501	2,501	0	0	0	0	2,501
Total											
166,072,604	3,760,674	223,376	542,069	0	170,598,723	173,681,374	3,648,217	223,376	542,089	0	178,095,056

General fund money in MSP Staff Transportation for fiscal year 2009 is contingent upon the nonavailability of federal grant funds to support MSP Staff Transportation and must be reduced dollar-for-dollar by the amount of any federal grant funds received to support MSP Staff Transportation.

Funding in Montana State Prison, Additional FTE may be used only to fund additional positions for existing operations at Montana state prison as of March 28, 2007.

General fund money in Juvenile Reentry Program is contingent upon the nonavailability of federal grant funds to support Juvenile Reentry Program and must be reduced dollar-for-dollar by the amount of any federal grant funds received to support Juvenile Reentry Program.

Funding in Youth Corrections Facilities, Additional FTE may be used only to fund additional positions for existing operations at Pine Hills youth correctional facility and Riverside youth corrections facility as of March 28, 2007.

DEPARTMENT OF LABOR AND INDUSTRY (6602)

1. Workforce Services Division (01)											
727,877	8,028,924	20,040,165	0	0	28,796,966	729,205	7,992,002	20,099,487	0	0	28,820,694
a. Increase Payment to Advisory Board Members — SB 62											
0	0	3,900	0	0	3,900	0	0	3,998	0	0	3,998
b. Revise Membership of Workforce Investment Boards — SB 440											
0	0	7,422	0	0	7,422	0	0	7,422	0	0	7,422
2. Unemployment Insurance Division (02)											

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	Fiscal 2008						Fiscal 2009				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
0	1,625,775	9,875,993	0	0	11,501,768	0	3,041,210	8,244,998	0	0	11,286,208
a. Mainframe Tax System Replacement Feasibility Study (Biennial)											
0	0	1,000,000	0	0	1,000,000	0	0	0	0	0	0
3. Commissioner's Office/Centralized Services Division (03)											
251,280	686,161	476,081	83,527	0	1,497,049	253,933	695,520	478,008	86,136	0	1,513,597
4. Employment Relations Division (04)											
1,066,061	8,767,704	748,599	0	0	10,582,364	1,071,903	8,805,686	753,972	0	0	10,631,561
a. Increase Payment to Advisory Board Members — SB 62											
0	1,500	0	0	0	1,500	0	1,538	0	0	0	1,538
5. Business Standards Division (05)											
0	13,808,158	0	0	0	13,808,158	0	13,881,321	0	0	0	13,881,321
a. Legal Contingency (Restricted/OTO)											
0	70,000	0	0	0	70,000	0	70,000	0	0	0	70,000
b. Revise Nursing Home Administration Laws — HB 378											
0	1,188	0	0	0	1,188	0	1,188	0	0	0	1,188
c. License and Regulate Athletic Trainers — HB 665											
0	50,732	0	0	0	50,732	0	46,229	0	0	0	46,229
d. Alternative Adolescent Registration — HB 769											
0	800	0	0	0	800	0	15,382	0	0	0	15,382
e. Increase Payment to Advisory Board Members — SB 62											
0	500	0	0	0	500	0	512	0	0	0	512
f. Revise Professional and Occupational Licensing Laws — SB 153											
0	11,290	0	0	0	11,290	0	11,290	0	0	0	11,290
g. Board of Private Security Patrol Officers — SB 209											
0	1,947	0	0	0	1,947	0	1,105	0	0	0	1,105
6. Office of Community Services (07)											
125,000	75,000	2,915,678	0	0	3,115,678	125,000	75,000	2,917,966	0	0	3,117,966

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Fiscal 2008						Fiscal 2009					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
a. Conference on Race (Biennial)											
0	50,000	0	0	0	50,000	0	0	0	0	0	0
7. Workers' Compensation Court (09)											
0	610,851	0	0	0	610,851	0	616,704	0	0	0	616,704
Total											
2,170,218	33,790,530	35,067,838	83,527	0	71,112,113	2,180,041	35,254,687	32,505,851	86,136	0	70,026,715

If Senate Bill No. 153 of the 2007 regular session is not passed and approved, Revise Professional and Occupational Licensing Laws—SB 153 is void.

DEPARTMENT OF MILITARY AFFAIRS (6701)

1. Centralized Services (01)											
551,113	0	491,330	0	0	1,042,443	553,562	0	492,342	0	0	1,045,904
a. Legislative Audit (Restricted/Biennial)											
3,986	0	0	0	0	3,986	0	0	0	0	0	0
b. Upgrade Department Server (OTO)											
25,000	0	0	0	0	25,000	0	0	0	0	0	0
2. Challenge Program (02)											
1,225,995	0	1,878,763	0	0	3,104,758	1,231,895	0	1,879,029	0	0	3,110,924
a. Legislative Audit (Restricted/Biennial)											
2,278	0	3,416	0	0	5,694	0	0	0	0	0	0
3. National Guard Scholarship Program (03) (Biennial)											
250,000	0	0	0	0	250,000	250,000	0	0	0	0	250,000
4. Army National Guard Program (12)											
1,161,682	12,000	12,723,759	0	0	13,897,441	1,173,167	12,000	12,792,176	0	0	13,977,343
a. Legislative Audit (Restricted/Biennial)											
7,893	0	27,032	0	0	34,925	0	0	0	0	0	0
5. Air National Guard Program (13)											

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Fiscal 2008						Fiscal 2009					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
374,568	0	4,546,473	0	0	4,921,041	378,539	0	4,627,230	0	0	5,005,769
a. Legislative Audit (Restricted/Biennial)											
633	0	3,100	0	0	3,733	0	0	0	0	0	0
6. Disaster and Emergency Services (21)											
1,046,944	334,408	1,688,082	0	0	3,069,434	1,049,782	334,408	1,691,097	0	0	3,075,287
a. Legislative Audit (Restricted/Biennial)											
2,689	0	8,193	0	0	10,882	0	0	0	0	0	0
b. Upgrade GIS Hardware and Software (OTO)											
12,000	0	0	0	0	12,000	0	0	0	0	0	0
7. Veterans' Affairs Program (31)											
686,682	1,073,145	0	0	0	1,759,827	686,990	1,079,162	0	0	0	1,766,152
a. Legislative Audit (Restricted/Biennial)											
2,151	1,898	0	0	0	4,049	0	0	0	0	0	0
Total											
5,353,614	1,421,451	21,370,148	0	0	28,145,213	5,323,935	1,425,570	21,481,874	0	0	28,231,379
TOTAL SECTION D											
204,204,941	81,834,757	65,118,393	2,340,226	0	353,498,317	207,653,083	83,961,733	62,677,225	2,318,160	0	356,610,201

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Fiscal 2008						Fiscal 2009					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
					E. EDUCATION						
OFFICE OF SUPERINTENDENT OF PUBLIC INSTRUCTION (3501)											
1. OPI Administration (06)											
5,186,912	230,007	12,673,034	0	0	18,089,953	5,253,000	230,257	12,737,406	0	0	18,220,663
a. K-12 Education Data Systems (Restricted/Biennial)											
1,866,814	0	0	0	0	1,866,814	1,592,133	0	0	0	0	1,592,133
b. Curriculum Specialists (Restricted/Biennial)											
959,700	0	0	0	0	959,700	924,816	0	0	0	0	924,816
c. Storage Area Network (SAN) Replacement (Restricted/OTO)											
160,000	0	0	0	0	160,000	0	0	0	0	0	0
d. Indian Education for All and Indian Achievement Gap (Restricted/Biennial)											
1,665,351	0	0	0	0	1,665,351	1,665,570	0	0	0	0	1,665,570
e. Indian Education for All Tribal History (Restricted/Biennial/OTO)											
237,500	0	0	0	0	237,500	237,500	0	0	0	0	237,500
2. Distribution to Public Schools (09)											
0	0	139,285,243	0	0	139,285,243	0	0	145,148,901	0	0	145,148,901
a. Base Aid (Restricted)											
515,121,189	0	0	0	0	515,121,189	531,803,079	0	0	0	0	531,803,079
b. Special Education (Restricted)											
40,434,302	0	0	0	0	40,434,302	41,647,331	0	0	0	0	41,647,331
c. Transportation (Restricted)											
12,472,550	0	0	0	0	12,472,550	12,572,550	0	0	0	0	12,572,550
d. School Facility Payment (Restricted)											
10,509,037	0	0	0	0	10,509,037	10,509,037	0	0	0	0	10,509,037
e. In-State Treatment (Restricted)											
974,896	0	0	0	0	974,896	974,896	0	0	0	0	974,896
f. Secondary Vo-Ed (Restricted)											

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Fiscal 2008						Fiscal 2009					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
1,000,000	0	0	0	0	1,000,000	1,000,000	0	0	0	0	1,000,000
g. Adult Basic Ed (Restricted)											
525,000	0	0	0	0	525,000	525,000	0	0	0	0	525,000
h. Gifted and Talented (Restricted)											
250,000	0	0	0	0	250,000	250,000	0	0	0	0	250,000
i. Gifted and Talented (Restricted/OTO)											
1,000,000	0	0	0	0	1,000,000	1,000,000	0	0	0	0	1,000,000
j. School Foods (Restricted)											
648,655	0	0	0	0	648,655	648,655	0	0	0	0	648,655
k. HB 124 Block Grants (Restricted)											
50,979,326	0	0	0	0	50,979,326	51,366,769	0	0	0	0	51,366,769
l. State Tuition Payments (Restricted)											
606,138	0	0	0	0	606,138	606,138	0	0	0	0	606,138
m. Traffic Safety (Restricted)											
0	750,000	0	0	0	750,000	0	750,000	0	0	0	750,000
n. Full-Time Kindergarten Startup Costs (Restricted/Biennial/OTO)											
10,000,000	0	0	0	0	10,000,000	0	0	0	0	0	0
o. At-Risk Payment (Restricted)											
5,000,000	0	0	0	0	5,000,000	5,000,000	0	0	0	0	5,000,000
p. Indian Education for All Payment (Restricted/OTO)											
1,500,000	0	0	0	0	1,500,000	1,500,000	0	0	0	0	1,500,000
Total											
661,097,370	980,007	151,958,277	0	0	814,035,654	669,076,474	980,257	157,886,307	0	0	827,943,038

Base Aid is reduced by $6 million in fiscal year 2009 if House Bill No. 10 does not pass.

The office of public instruction may distribute funds from the appropriation for In-State Treatment to public school districts for the purpose of providing for educational costs of children with significant behavioral or physical needs.

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Fiscal 2008						Fiscal 2009					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

Except for the amount appropriated for administration from the traffic education account in OPI Administration, all remaining revenue up to $1.1 million in the traffic education account for distribution to schools under the provisions of 20-7-506 and 61-5-121 is appropriated as provided in Title 20, chapter 7, part 5.

All appropriations for federal special revenue programs in state level activities and in local educational activities and all general fund appropriations in local educational activities are biennial.

Full-Time Kindergarten Startup Costs is contingent upon passage and approval of [LC 4], which provides a distribution mechanism for the kindergarten startup funds.

If the unaudited general fund revenue received in fiscal year 2007 exceeds $1,762,355,000, then the amount of the general fund unaudited revenue for fiscal year 2007 that exceeds $1,762,355,000, up to $30 million, is appropriated to the office of public instruction for distribution to schools in accordance with [LC 4] for the capital investment and deferred maintenance one-time-only payment.

Indian Education for All Payment is contingent upon passage and approval of [LC 4]. The one-time-only payments will be distributed in accordance with the mechanism provided in [LC 4].

BOARD OF PUBLIC EDUCATION (5101)

1. Administration (01)											
203,003	15,000	0	0	0	218,003	208,097	20,000	0	0	0	228,097
2. Advisory Council (03)											
0	154,859	0	0	0	154,859	0	154,908	0	0	0	154,908
a. Advisory Council Reimbursement Increase											
3,000	0	0	0	0	3,000	3,075	0	0	0	0	3,075
Total											
206,003	169,859	0	0	0	375,862	211,172	174,908	0	0	0	386,080

MONTANA UNIVERSITY SYSTEM, INCLUDING OFFICE OF THE COMMISSIONER OF HIGHER EDUCATION AND EDUCATIONAL UNITS AND AGENCIES (5100)

1. OCHE — Administration (01)											
1,767,701	0	278,082	101,145	0	2,146,928	1,776,892	0	278,081	101,143	0	2,156,116

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Fiscal 2008						Fiscal 2009					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
a. Legislative Audit (Restricted/Biennial)											
37,980	0	0	0	0	37,980	0	0	0	0	0	0
b. Transferability of Student Data (OTO)											
979,099	0	0	0	0	979,099	0	0	0	0	0	0
c. Moving Expenses (OTO)											
30,000	0	0	0	0	30,000	0	0	0	0	0	0
d. Coordinate and Expand Distance Learning (OTO)											
225,000	0	0	0	0	225,000	225,000	0	0	0	0	225,000
e. Rent Increase (Restricted)											
13,356	0	0	0	0	13,356	54,420	0	0	0	0	54,420
f. Transferability of Student Data											
312,000	0	0	0	0	312,000	253,901	0	0	0	0	253,901
g. Coordinate and Expand Distance Learning											
225,000	0	0	0	0	225,000	225,000	0	0	0	0	225,000
2. OCHE — Student Assistance Program (02)											
4,077,289	100,000	232,915	0	0	4,410,204	4,078,389	100,000	232,915	0	0	4,411,304
a. Governor's Postsecondary Scholarship Program (Restricted)											
1,530,000	0	0	0	0	1,530,000	2,510,000	0	0	0	0	2,510,000
b. WICHE/WWAMI/MN Dental Program											
5,197,136	0	0	0	0	5,197,136	5,382,581	0	0	0	0	5,382,581
3. OCHE — Improving Teacher Quality (03)											
0	0	385,000	0	0	385,000	0	0	395,000	0	0	395,000
4. OCHE — Community College Assistance (04) (Biennial)											
8,254,210	0	0	0	0	8,254,210	8,390,361	0	0	0	0	8,390,361
a. Legislative Audit (Restricted/Biennial)											
27,936	0	0	0	0	27,936	0	0	0	0	0	0
b. Community College Assistance (Restricted/OTO)											

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Fiscal 2008						Fiscal 2009					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
450,000	0	0	0	0	450,000	450,000	0	0	0	0	450,000
5. OCHE — Talent Search (06)											
72,848	0	4,467,217	0	0	4,540,065	72,881	0	4,471,456	0	0	4,544,337
6. OCHE — Workforce Development (08)											
91,092	0	6,307,643	0	0	6,398,735	91,092	0	6,309,109	0	0	6,400,201
7. OCHE — Appropriation Distribution Transfers (09)											
116,549,958	17,285,323	0	0	0	133,835,281	122,289,766	16,089,436	0	0	0	138,379,202
a. Legislative Audit (Restricted/Biennial)											
575,741	0	0	0	0	575,741	0	0	0	0	0	0
b. Property Tax Reimbursement — House Bill No. 10											
71,774	0	0	0	0	71,774	195,496	0	0	0	0	195,496
c. Equipment and Technology (OTO)											
2,000,000	2,000,000	0	0	0	4,000,000	0	0	0	0	0	0
d. Workforce Training — Program Development (OTO)											
1,500,000	0	0	0	0	1,500,000	0	0	0	0	0	0
e. Research Agencies Equipment (OTO)											
1,000,000	0	0	0	0	1,000,000	0	0	0	0	0	0
f. High School Honors Tuition Waivers (OTO)											
0	500,000	0	0	0	500,000	0	500,000	0	0	0	500,000
g. Dental Hygiene Program at Great Falls College of Technology (Restricted)											
235,000	0	0	0	0	235,000	235,000	0	0	0	0	235,000
h. Agriculture Experiment Station											
11,766,373	0	0	0	0	11,766,373	11,810,719	0	0	0	0	11,810,719
i. Agriculture Experiment Station Additional Appropriation											
50,000	0	0	0	0	50,000	50,000	0	0	0	0	50,000
j. Extension Service											
5,567,713	0	0	0	0	5,567,713	5,590,824	0	0	0	0	5,590,824

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Fiscal 2008						Fiscal 2009					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
k. Forest and Conservation Experiment Station											
1,094,186	0	0	0	0	1,094,186	1,103,415	0	0	0	0	1,103,415
l. Bureau of Mines and Geology											
1,820,060	666,000	0	0	0	2,486,060	1,888,718	666,000	0	0	0	2,554,718
m. Fire Services Training School											
758,739	0	0	0	0	758,739	723,023	0	0	0	0	723,023
n. Yellow Bay Biological Station (Restricted)											
125,000	0	0	0	0	125,000	125,000	0	0	0	0	125,000
o. MSU-Northern Science and Water Programs (Restricted)											
240,000	0	0	0	0	240,000	240,000	0	0	0	0	240,000
p. MSU-Bozeman — PBS Television Satellite Delivery System (Restricted/Biennial/OTO)											
400,000	0	0	0	0	400,000	0	0	0	0	0	0
q. University of Montana-Missoula Speech Pathology Program (Restricted/Biennial/OTO)											
700,000	0	0	0	0	700,000	0	0	0	0	0	0
r. Montana Tech Advanced Nursing Workforce Program (Restricted/OTO)											
40,000	0	0	0	0	40,000	40,000	0	0	0	0	40,000
8. Tribal College Assistance Program (11) (Biennial)											
450,000	0	0	0	0	450,000	450,000	0	0	0	0	450,000
a. Nonbeneficiary Assistance (OTO)											
507,000	0	0	0	0	507,000	507,000	0	0	0	0	507,000
9. OCHE — Guaranteed Student Loan (12)											
0	0	48,832,760	0	0	48,832,760	0	0	51,707,217	0	0	51,707,217
a. Legislative Audit (Restricted/Biennial)											
0	0	18,961	0	0	18,961	0	0	0	0	0	0
10. OCHE — Board of Regents (13)											
31,801	0	0	0	0	31,801	31,801	0	0	0	0	31,801

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Fiscal 2008						Fiscal 2009					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
Total											
168,773,992	20,551,323	60,522,578	101,145	0	249,949,038	168,791,279	17,355,436	63,393,778	101,143	0	249,641,636

Items designated as OCHE—Administration (01), Student Assistance Program (02), Improving Teacher Quality (03), Talent Search (06), Workforce Development (08), Appropriation Distribution Transfers (09) [excluding Agriculture Experiment Station, Extension Service, Forest and Conservation Experiment Station, Bureau of Mines and Geology, Bureau Ground Water Program, and Fire Services Training School], Guaranteed Student Loan (12), and Board of Regents (13) are a single biennial lump-sum appropriation.

General fund money, state and federal special revenue, and proprietary fund revenue appropriated to the board of regents are included in all Montana university system programs (5100). All other public funds received by units of the Montana university system (other than plant funds appropriated in [LC 3], relating to long-range building) are appropriated to the board of regents and may be expended under the provisions of 17-7-138(2). The board of regents shall allocate the appropriations to individual university system units, as defined in 17-7-102(13), according to board policy.

The Montana university system, except the office of the commissioner of higher education and the community colleges, shall provide the office of budget and program planning and the legislative fiscal division banner access to the entire university system's banner information system, except for information pertaining to individual students or individual employees that is protected by Article II, sections 9 and 10, of the Montana constitution, 20-25-515, or the Family Educational Rights and Privacy Act of 1974, 20 U.S.C. 1232g.

The Montana university system shall provide the electronic data required for human resource data for the current unrestricted operating funds into the MBARS system. The salary and benefit data provided must reflect approved board of regents operating budgets.

~~Item OCHE—Administration (01) includes an appropriation for a new, indirect cost recovery plan that includes funding for a report from the commissioner of higher education, by August 2008, to the education and local government interim committee on the status and funding for the indirect cost recovery plan that includes a recommendation for funding that plan in the 2011 biennium.~~

If the legislature does not amend Governor's Postsecondary Scholarship Program to expand the number or size of the scholarship awards authorized in Title 20, chapter 26, part 6, this item is reduced by $250,000 in fiscal year 2008 and $500,000 in fiscal year 2009, and OCHE—Student Assistance Program is increased by $139,768 in general fund money in fiscal year 2008 and $221,900 in general fund money in fiscal year 2009 to support the Montana higher education grant (MHEG) program.

WICHE/WWAMI/MN Dental Program is restricted so that any surplus funding may be transferred only to other student financial aid programs in Program 02.

Contingent upon passage and approval of an educator loan assistance program by the 2007 legislature, there is appropriated $1.05 million in general fund money in the 2009 biennium to fund that program.

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	Fiscal 2008					Fiscal 2009				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

The variable cost of education for each full-time equivalent student at the community colleges, including Summitnet, is $1,815 each year of the 2009 biennium. The general fund appropriation for OCHE—Community College Assistance (04) provides 48.5% of the fixed cost of education plus 48.5% of the variable cost of education for each full-time equivalent student in fiscal year 2008 and 49.3% of the fixed cost of education plus 49.3% of the variable cost of education for each full-time equivalent student in fiscal year 2009. The remaining percentage of the budget must be paid from funds other than those appropriated for OCHE—Community College Assistance.

The general fund appropriation for OCHE—Community College Assistance (04) is calculated to fund education in the community colleges for an estimated 2,411 resident FTE students in both fiscal year 2008 and fiscal year 2009. If total resident FTE student enrollment in the community colleges is greater than the estimated number for the biennium, the community colleges shall serve the additional students without a state general fund contribution. If actual resident FTE student enrollment is less than the estimated number for the biennium, the community colleges shall revert general fund money to the state in accordance with 17-7-142.

Total audit costs are estimated to be $57,600 for the community colleges for the biennium. The general fund appropriation for each community college provides 48.5% of the total audit costs in the 2009 biennium. The remaining 51.5% of these costs must be paid from funds other than those appropriated for OCHE—Community College Assistance. Audit costs for the biennium may not exceed $18,500 for Dawson, $16,600 for Miles, and $22,500 for Flathead Valley community college.

Community College Assistance will be distributed to the three community colleges equally for new program development or capital investments.

The legislature defines rates for the Montana university system self-funded workers' compensation program to mean the amount necessary to maintain the plan on an actuarially sound basis.

Revenue anticipated to be received by the Montana university system units and colleges of technology include interest earnings and other revenue of $2,136,468 each year of the 2009 biennium. These amounts are appropriated for current unrestricted operating expenses as a biennial lump-sum appropriation and are in addition to the funds shown in OCHE.

Revenue anticipated to be received by the agriculture experiment station includes:

(1) interest earnings and other revenue of $60,308 each year of the 2009 biennium; and

(2) federal revenue of $2,098,417 in fiscal year 2008 and $2,109,926 in fiscal year 2009.

Revenue anticipated to be received by the extension service includes:

(1) interest earnings of $20,133 each year of the 2009 biennium; and

(2) federal revenue of $2,429,908 in fiscal year 2008 and $2,437,119 in fiscal year 2009.

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	Fiscal 2008						Fiscal 2009					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

Anticipated interest revenue of $692 in each year of the 2009 biennium is appropriated to the forest and conservation experiment station for current unrestricted operating expenses. This amount is in addition to that shown in OCHE—Appropriation Distribution Transfers.

Anticipated sales revenue of $36,828 in fiscal year 2008 and $37,983 in fiscal year 2009 is appropriated to the Bureau of Mines and Geology for current unrestricted operating expenses. This amount is in addition to that shown in OCHE—Appropriation Distribution Transfers.

Anticipated interest revenue of $943 each year of the 2009 biennium is appropriated to Fire Services Training School for current unrestricted operating expenses. This amount is in addition to that shown in OCHE—Appropriation Distribution Transfers.

OCHE—Appropriation Distribution Transfers includes $932,200 for the 2009 biennium that must be transferred to the energy conservation program account and used to retire the general obligation bonds sold to fund energy improvements through the state energy conservation program. The costs of this transfer in each year of the biennium are: university of Montana-Missoula, $104,000 in fiscal year 2008 and $95,000 in fiscal year 2009; Montana tech of the university of Montana, $31,800 in fiscal year 2008 and $31,800 in fiscal year 2009; Montana state university-northern, $69,200 in fiscal year 2008 and $60,200 in fiscal year 2009; Montana state university-Bozeman, $58,000 in fiscal year 2008 and $58,000 in fiscal year 2009; Montana state university-Billings, $105,500 in fiscal year 2008 and $105,500 in fiscal year 2009; and western Montana college of the university of Montana, $108,650 in fiscal year 2008 and $108,150 in fiscal year 2009.

The Montana university system shall pay $88,506 for the 2009 biennium in current funds in support of the Montana natural resource information system (NRIS) located at the Montana state library. Quarterly payments must be made upon receipt of the bills from the state library, up to the total amount appropriated.

Property Tax Reimbursement is contingent upon passage and approval of House Bill No. 10.

Upon passage and approval of House Bill No. 116 of the 2007 regular session and subject to available funds, the following decision packages are approved and the amounts are appropriated to the bureau of mines and geology from the natural resources operations state special revenue account:

DP 1 - Maintain program funding: The legislature approved $174,114 in state special revenue in the 2009 biennium to restore one-time program funding increases approved in the 2007 biennium.

DP 2 - Support proposed pay plans: The legislature approved $97,540 in state special revenue in the 2009 biennium to support personal services present law increases.

DP 3 - Operations support: The legislature approved $8,070 in state special revenue in the 2009 biennium to support a 2% annual increase in gasoline and other operations costs.

Of the $2 million 6-mill levy and $2 million general fund appropriation for equipment and technology in Equipment and Technology, $1.75 million must be matched on a one-to-one basis from nonstate funds identified by the board of regents. The grant process for distributing these funds, administered by the office of the commissioner of higher education in consultation with the state workforce investment board (SWIB), must require this one-to-one funding match by applicants and

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Fiscal 2008						Fiscal 2009					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

give scoring priority to grants that include matching funds. Matching funds may include federal revenue, private revenue, and other nonstate university funds. The funding match may include in-kind revenue only if that revenue is equipment itself, cost reductions offered for purchased equipment, or space to house equipment. The office of the commissioner of higher education shall certify to the office of budget and program planning that an allowable funding match has been committed from an eligible revenue source, as evidenced by a commitment letter from that funding source. This appropriation is restricted so that 6-mill levy revenue may not be awarded to the community colleges.

Of the $1.5 million general fund appropriation for high demand programs in Workforce Training—Program Development, $700,000 must be matched by no less than one-half the appropriation amount, with nonstate funds identified by the board of regents. The grant process for distributing these funds, administered by the office of the commissioner of higher education in consultation with the state workforce investment board (SWIB), must require this funding match ratio and give scoring priority to grants that include matching funds. Matching funds may include federal revenue, private revenue, and other nonstate university funds. The funding match may include in-kind revenue only if that revenue is equipment itself, cost reductions offered for purchased equipment, or space to house equipment. The office of the commissioner of higher education shall certify to the office of budget and program planning that an allowable funding match has been committed from an eligible revenue source, as evidenced by a commitment letter from that funding source.

Yellow Bay Biological Station is restricted; $100,000 each fiscal year is restricted to laboratory work associated with Flathead basin water quality monitoring, and $25,000 each fiscal year is restricted to limnological investigations on Whitefish Lake in partnership with the Whitefish Lake institute.

MSU-Northern Science and Water Programs is contingent upon passage and approval of House Bill No. 116 of the 2007 regular session.

Montana Tech Advanced Nursing Workforce Program is restricted to funding the costs to the university system associated with courses at Montana tech for advanced nursing students' transition to the workforce in partnership with the St. James healthcare foundation.

SCHOOL FOR THE DEAF AND BLIND (5113)

1. Administration Program (01)											
413,290	2,160	0	0	0	415,450	413,914	2,160	0	0	0	416,074
a. Legislative Audit (Restricted/Biennial)											
31,634	0	0	0	0	31,634	0	0	0	0	0	0
2. General Services Program (02)											
538,636	0	0	0	0	538,636	534,971	0	0	0	0	534,971
3. Student Services (03)											
1,232,083	0	27,187	0	0	1,259,270	1,240,612	0	27,187	0	0	1,267,799
4. Education (04)											

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Fiscal 2008						Fiscal 2009					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
2,731,439	416,764	73,517	0	0	3,221,720	2,861,186	291,764	73,516	0	0	3,226,466
a. Expansion of Outreach Services (Reporting)											
227,663	0	0	0	0	227,663	221,509	0	0	0	0	221,509
b. Retention/Recruitment of Highly Qualified Staff (Reporting)											
213,857	0	0	0	0	213,857	265,050	0	0	0	0	265,050
Total											
5,388,602	418,924	100,704	0	0	5,908,230	5,537,242	293,924	100,703	0	0	5,931,869

The student services program includes general fund money of $7,669 in fiscal year 2008 and $7,823 in fiscal year 2009 for increases to the quality educator component. The education program includes general fund money of $13,058 in fiscal year 2008 and $12,904 in fiscal year 2009 for increases to the quality educator component. The quality educator component increases are contingent upon passage and approval of legislation that increases the total quality educator payment as defined in 20-9-306(15).

MONTANA ARTS COUNCIL (5114)

1. Promotion of the Arts (01)											
430,418	179,640	580,895	0	0	1,190,953	421,830	184,707	589,398	0	0	1,195,935
a. Legislative Audit (Restricted/Biennial)											
9,047	3,907	7,608	0	0	20,562	0	0	0	0	0	0
b. Rent and Moving Expenses (Restricted)											
24,978	16,836	11,578	0	0	53,392	21,312	17,344	11,928	0	0	50,584
c. Database Rewrite (OTO)											
73,920	0	0	0	0	73,920	0	0	0	0	0	0
Total											
538,363	200,383	600,081	0	0	1,338,827	443,142	202,051	601,326	0	0	1,246,519

All federal funds in Montana Arts Council are biennial appropriations.

MONTANA STATE LIBRARY COMMISSION (5115)

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	Fiscal 2008						Fiscal 2009				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
1. Statewide Library Resources (01)											
1,970,230	941,517	635,712	0	0	3,547,459	2,228,762	941,517	637,040	0	0	3,807,319
a. Legislative Audit (Restricted/Biennial)											
18,980	0	0	0	0	18,980	0	0	0	0	0	0
b. GIS Metadata Portal (Restricted)											
150,000	0	0	0	0	150,000	150,000	0	0	0	0	150,000
c. LSTA Grants (Biennial)											
0	0	916,251	0	0	916,251	0	0	191,220	0	0	191,220
d. Library Federation Support (Biennial)											
205,662	0	0	0	0	205,662	0	0	0	0	0	0
e. Increase Library Federation Support											
0	113,495	0	0	0	113,495	0	113,495	0	0	0	113,495
Total											
2,344,872	1,055,012	1,551,963	0	0	4,951,847	2,378,762	1,055,012	828,260	0	0	4,262,034

The Increase Library Federation Support appropriation of $113,495 in state special revenue derived from the coal tax shared revenue account is contingent upon revenue estimates of $2,061,000 in fiscal year 2008 and $1,975,000 in fiscal year 2009 in the coal tax shared revenue account. If the revenue to the account is higher than anticipated, Increase Library Federation Support is increased by 27.26% of additional revenue, up to a maximum of an additional $21,505 of state special revenue each year of the biennium.

MONTANA HISTORICAL SOCIETY (5117)

1. Administration Program (01)											
1,184,821	84,991	130,619	376,312	0	1,776,743	1,191,328	85,018	130,619	390,938	0	1,797,903
a. Legislative Audit (Restricted/Biennial)											
34,798	0	0	0	0	34,798	0	0	0	0	0	0
b. Computer Replacement (Restricted)											
19,200	0	0	0	0	19,200	19,200	0	0	0	0	19,200
2. Library Program (02)											

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Fiscal 2008						Fiscal 2009					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
795,186	2,624	0	71,446	0	869,256	798,579	2,624	0	71,528	0	872,731
a. TVMT (Restricted/Biennial/OTO)											
80,000	0	0	0	0	80,000	0	0	0	0	0	0
3. Museum Program (03)											
327,022	498	0	10,000	0	337,520	312,137	498	0	10,000	0	322,635
4. Publications (04)											
91,579	0	0	440,951	0	532,530	91,819	0	0	441,762	0	533,581
5. Historic Preservation Program (06)											
157,036	0	474,338	5,000	0	636,374	158,471	0	477,348	5,000	0	640,819
Total											
2,689,642	88,113	604,957	903,709	0	4,286,421	2,571,534	88,140	607,967	919,228	0	4,186,869
TOTAL SECTION E											
841,038,844	23,463,621	215,338,560	1,004,854	0	1,080,845,879	849,009,605	20,149,728	223,418,341	1,020,371	0	1,093,598,045
TOTAL STATE FUNDING											
1,595,787,420	619,933,326	1,673,278,203	13,688,289	0	3,902,687,238	1,619,899,696	597,283,521	1,725,568,175	13,484,455	0	3,956,235,847

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Section 10. Rates. Internal service fund type fees and charges established by the legislature for the 2009 biennium are as follows:

	Fiscal 2008	Fiscal 2009
Department of Transportation — 5401		
1. State Motor Pool		
a. Class 02 (small utilities)		
Per Hour Assigned	$1.547	$1.634
Per Mile Operated	$0.158	$0.160
b. Class 04 (large utilities)		
Per Hour Assigned	$1.948	$2.034
Per Mile Operated	$0.200	$0.202
c. Class 06 (midsize compact)		
Per Hour Assigned	$1.393	$1.404
Per Mile Operated	$0.123	$0.125
d. Class 07 (small pickups)		
Per Hour Assigned	$1.528	$1.578
Per Mile Operated	$0.187	$0.190
e. Class 11 (large pickups)		
Per Hour Assigned	$1.432	$1.434
Per Mile Operated	$0.215	$0.218
f. Class 12 (vans - all types)		
Per Hour Assigned	$1.453	$1.417
Per Mile Operated	$0.181	$0.183
2. Equipment Program		
All of Program Operations	20-day working capital reserve	
Department of Revenue — 5801		
1. Business and Income Taxes Division		
Delinquent Account Collection Fee (percent of amount collected)	5%	5%
Department of Administration — 6101		
1. Administration and Financial Services Division		
a. SABHRS Services Bureau		
Total Allocation of Costs	$6,774,746	$6,616,145
b. Management Services Unit		
Total Allocation of Costs	$987,261	$996,441
Portion of Unit for Human Resources		
Charge Per FTE of User Programs	$417	$429
c. Warrant Writer		
Mailer	$0.68860	$0.69200

	Fiscal 2008	Fiscal 2009
Mailer - PRD and TRS	$0.27860	$0.28200
Nonmailer	$0.25840	$0.26180
Emergency	$4.78180	$4.78090
Duplicates	$5.59350	$5.59260
Externals		
Externals - Payroll	$0.23050	$0.23390
Externals - Universities	$0.19660	$0.20000
Direct Deposit		
Direct Deposit - Mailer	$0.64680	$0.64450
Direct Deposit - Nonmailer	$0.23870	$0.22690
2. General Services Division		
a. Facilities Management Bureau		
Office Rent (per sq. ft.)	$8.179	$8.592
Warehouse Rent (per sq. ft.)	$4.209	$4.547
Grounds Maintenance (per sq. ft.)	$0.496	$0.508
Project Mgmt (in-house)	15%	15%
Project Mgmt (contracted)	5%	5%
b. Print and Mail Services		
Internal Printing		
Impression Cost		
1-20	$0.0625	$0.0625
21-100	$0.0276	$0.0276
101-1000	$0.0159	$0.0159
1001-5000	$0.0064	$0.0064
5001+	$0.0032	$0.0032
Collating Machine	$0.0064	$0.0064
Collating Hand	$0.530	$0.530
Stapling Hand	$0.0159	$0.0159
Stapling In-Line	$0.0106	$0.0106
Saddle Stitch	$0.0318	$0.0318
Folding (setup)	$10.60	$10.60
Folding	$0.0053	$0.0053
Folding Right Angle (setup)	$10.60	$10.60
Folding Right Angle	$0.0053	$0.0053
Folding In-Line	$0.0318	$0.0318
Punching Standard 3-Hole	$0.00106	$0.00106
Punching Nonstandard (setup)	$3.18	$3.18

	Fiscal 2008	Fiscal 2009
Punching Nonstandard	$0.00106	$0.00106
Cutting	$0.583	$0.583
Padding	$0.00212	$0.00212
Scoring, Perforating, Numbering (setup plus duplicating rate)	$5.30	$5.30
Perfect Binding (setup)	$15.90	$15.90
Perfect Binding	$0.583	$0.583
Tape Binding	$0.530	$0.530
Tabs	$0.530	$0.530
Transparencies	$0.530	$0.530
Shrink-Wrapping	$0.265	$0.265
Hand Bindery	$0.530	$0.530
Desktop	$38.16	$38.16
Negatives Stripped		
10x12	$11.98	$11.98
12x20	$20.30	$20.30
20x24	$36.94	$36.94
Negatives Stripped Halftone		
10x12	$17.01	$17.01
Negatives Stripped PMTs Positive		
10x12	$7.05	$7.05
12x20	$14.15	$14.15
20x24	$28.30	$28.30
Negatives Stripped PMTs Halftone		
10x12	$10.76	$10.76
Negatives Stripped Metal Plates		
8.5x11	$10.60	$10.60
11x17	$21.20	$21.20
Negatives Stripped Silver Plates		
8.5x11	$8.48	$8.48
11x17	$9.54	$9.54
Negatives Stripped CTP Plates		
8.5x11	$8.48	$8.48
11x17	$9.54	$9.54
Programming Per Hour	$40.00	$40.00
Overtime Per Hour	$20.00	$20.00
Scan (each)	$9.00	$9.00
Proof (each)	$0.25	$0.25

	Fiscal 2008	Fiscal 2009
Laminating		
8.5x11 (each)	$0.50	$0.50
11x17 (each)	$0.75	$0.75
Color Copy		
8.5x11 (each)	$0.19	$0.19
11x17 (each)	$0.38	$0.38
Large Format Color Per Foot	$12.00	$12.00
External Printing		
Percent of Invoice Markup	6.36%	6.36%
Photocopy Pool		
Copier Monthly Charge		
Level 1	$34.77	$34.77
Level 2	$115.40	$115.40
Level 3	$210.76	$210.76
Level 4	$250.93	$250.93
Level 5	$381.34	$381.34
Level 6	$526.70	$526.70
Level 7	$615.78	$615.78
Optional Features for Digital Copiers		
Level 1		
Print Cost Per Page	$0.0146	$0.0146
Fax Cost Per Page	$0.0146	$0.0146
Print Option	$18.29	$18.29
Fax Option	$14.63	$14.63
Level 2		
Print Cost Per page	$0.0146	$0.0146
Print Option	$14.63	$14.63
Fax Cost Per Page	$0.0146	$0.0146
Fax Option	$21.94	$21.94
Scan Option	$14.63	$14.63
Level 3		
Print Cost Per Page	$0.0146	$0.0146
Print Option	$28.65	$28.65
Fax Cost Per Page	$0.0146	$0.0146
Fax Option	$23.16	$23.16
Scan Option	$24.38	$24.38
Level 4		

	Fiscal 2008	Fiscal 2009
Print Cost Per Copy	$0.0146	$0.0146
Print Option	$28.65	$28.65
Fax Cost Per Page	$0.0146	$0.0146
Fax Option	$23.16	$23.16
Scan Option	$24.38	$24.38
Level 5		
Print Cost Per Page	$0.0146	$0.0146
Print Option	$32.31	$32.31
Fax Cost Per Page	$0.0146	$0.0146
Fax Option	$23.16	$23.16
Scan Option	$32.31	$32.31
Level 6		
Print Cost Per Page	$0.0146	$0.0146
Print Option	$32.31	$32.31
Fax Cost Per Page	$0.0146	$0.0146
Fax Option	$23.16	$23.16
Scan Option	$32.31	$32.31
Level 7		
Print Cost Per Page	$0.0146	$0.0146
Print Option	$32.31	$32.31
Fax Cost Per Page	$0.0146	$0.0146
Fax Option	$23.16	$23.16
Scan Option	$32.31	$32.31
Mail Preparation		
Tabbing	$0.0106	$0.0106
Labeling	$0.0106	$0.0106
Ink Jet	$0.0318	$0.0318
Inserting	$0.0106	$0.0106
Winsort	$0.0530	$0.0530
Mail Operations		
Service Type (each)		
Machinable	$0.037	$0.037
Nonmachinable	$0.069	$0.069
Postcards	$0.042	$0.042
Certified Mail	$0.530	$0.530
Registered Mail	$0.530	$0.530
Internatl Mail	$0.318	$0.318

	Fiscal 2008	Fiscal 2009
Flats	$0.095	$0.095
Priority	$0.530	$0.530
Express Mail	$0.530	$0.530
USPS Parcels	$0.265	$0.265
Insured Mail	$0.530	$0.530
Media Mail	$0.265	$0.265
Standard Mail	$0.159	$0.159
Postage Due	$0.053	$0.053
Fee Due	$0.053	$0.053
Tapes	$0.212	$0.212
UPS Parcels	$0.265	$0.265
Interagency Mail		
Dollars-Yearly	$225,998	$225,998
Postal Contract (Capitol)		
Dollars-Yearly	$41,315	$41,315
c. Central Stores		
Markup as a Percent of Retail Cost of Goods Sold	25%	25%
3. Information Technology Services Division		
Desktop Services Rate (per statewide active directory account)	$85.75	$90.50
Electronic Government Transaction Fee (per website visit)		$0.012
All Remaining Operations of the Division	30-day working capital reserve	
4. State Personnel Division		
a. Intergovernmental Training		
Open Enrollment Courses		
Two-Day Course (per participant)	$182	$185
One-Day Course (per participant)	$115	$118
Half-Day Course (per participant)	$87	$90
Eight-Day Management Series (per participant)	$550	$560
Six-Day Management Series (per participant)	$425	$430
Four-Day Administrative Assistant Series (per participant)	$320	$325
Contract Courses		
Full Day of Training (flat fee)	$800	$820
Half Day of Training (flat fee)	$550	$560
b. Payroll Processing		

	Fiscal 2008	Fiscal 2009
Payroll Fees (per employee processed per pay period)	$1.56	$1.47
5. Risk Management & Tort Defense		
Auto Liability, Comprehensive, and Collision (total allocation to agencies)	$1,146,000	$1,146,000
Aviation (total allocation to agencies)	$167,807	$185,931
General Liability (total allocation to agencies)	$7,124,500	$7,124,500
Property/Miscellaneous (total allocation to agencies)	$4,443,591	$4,443,591
Department of Fish, Wildlife, and Parks — 5201		
1. Vehicle and Aircraft Rates		
Per Mile Rates		
a. Sedans	$0.36	$0.38
b. Vans	$0.40	$0.42
c. Utilities	$0.43	$0.46
d. Pickup 1/2 ton	$0.39	$0.41
e. Pickup 3/4 ton	$0.44	$0.48
Per Hour Rates		
f. Two-Place Single Engine	$75.05	$90.06
g. Partnavia	$357.34	$428.80
h. Turbine Helicopters	$417.46	$480.08
2. Duplicating Center		
Per Copy		
a. 1-20	$.050	$.055
b. 21-100	$.035	$.040
c. 101-1000	$.030	$.035
d. 1001-5000	$.025	$.030
e. Color Copies	$.25	$.25
Bindery		
a. Collating (per sheet)	$0.005	$0.005
b. Hand Stapling (per set)	$0.015	$0.015
c. Saddle Stitch (per set)	$0.030	$0.030
d. Folding (per set)	$0.005	$0.005
e. Punching (per set)	$0.001	$0.001
f. Cutting (per minute)	$0.550	$0.550
3. Warehouse Overhead Rate	5%	5%
Department of Environmental Quality - 5301		
1. Indirect Rate		
a. Personal Services	22.5%	21%

	Fiscal 2008	Fiscal 2009
b. Operating Expenditures	3%	4%
Department of Natural Resources and Conservation - 5706		
1. Air Operations Program		
a. Bell UH-1/H Helicopters	$1075.00	$1075.00
b. Jet Ranger Helicopter	$475.00	$475.00
c. Cessna 180 Series Aircraft	$150.00	$150.00
Department of Commerce - 6501		
1. Board of Investments		
For the purposes of [this act], the legislature defines "rates" as the total collections necessary to operate the board of investment at follows:		
a. Administration Charge (total)	$4,664,072	$4,664,072
2. Management Services Indirect Charge Rate	14.00%	13.75%
Department of Justice — 4110		
1. Agency Legal Services		
a. Attorney (per hour)	$84.00	$84.00
b. Investigator (per hour)	$50.00	$50.00
Department of Corrections — 6401		
1. Montana Correctional Enterprises		
a. Labor Charge for Motor Vehicle Maintenance (per hour)	$26.50	$26.50
b. Supply Fee as a Percentage of Actual Cost of Parts	3%	3%
c. Cook/Chill Rate - Base Tray Price (no delivery)	$1.37/meal	$1.37/meal
d. Delivery Charge per Trayed Meal Montana State Prison	$0.01/meal	$0.01/meal
e. Delivery Charge per Trayed Meal Riverside Youth Correctional Facility	$0.64/meal	$0.64/meal
f. Delivery Charge per Trayed Meal Helena Prerelease	$0.64/meal	$0.64/meal
g. Delivery Charge per Trayed Meal WATCh DUI Program	$0.22/meal	$0.22/meal
h. Delivery Charge per Trayed Meal - Methamphetamine Treatment Ctr.	$0.64/meal	$0.64/meal
i. Spoilage Percentage All Customers	4%	4%
Department of Labor and Industry — 6602		
1. Centralized Services Division		
a. Cost Allocation Plan	9.125%	9.125%
2. Business Standards Division		
a. Recharge Rate	54%	54%

	Fiscal 2008	Fiscal 2009
Office of Public Instruction — 3501		
1. OPI Indirect-Cost Pool	19.4%	19.4%

Approved June 1, 2007

Note: The stricken language in this chapter was done by Governor's line item veto dated June 1, 2007.

CHAPTER NO. 6

[HB 9]

AN ACT PROVIDING A REFUND OF UP TO A TOTAL OF $400 OF 2006 MONTANA PROPERTY TAXES PAID BY A TAXPAYER OR TAXPAYERS ON THE RESIDENCE THAT THEY OWNED AND OCCUPIED AS THEIR PRINCIPAL RESIDENCE FOR AT LEAST 7 MONTHS DURING 2006 AND OF CERTAIN 2005 AND 2004 MONTANA PROPERTY TAXES PAID ON THE PRINCIPAL RESIDENCE; PROVIDING THE PROCEDURE FOR ESTABLISHING ENTITLEMENT TO THE REFUND AND THE PERIOD WITHIN WHICH THE ENTITLEMENT MUST BE ESTABLISHED; ALLOWING A REFUNDABLE INCOME TAX CREDIT FOR THE AMOUNT OF PROPERTY TAXES PAID ON $20,000 OF MARKET VALUE OF A PRINCIPAL RESIDENCE ATTRIBUTABLE TO THE 95-MILL STATEWIDE LEVIES TO FUND SCHOOLS; PROVIDING APPROPRIATIONS; AMENDING SECTIONS 15-1-201 AND 17-7-502, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A TERMINATION DATE.

Be it enacted by the Legislature of the State of Montana:

Section 1. Definitions. As used in [sections 1 through 3], the following definitions apply:

(1) "Montana property taxes" means the ad valorem property taxes imposed on property classified under 15-6-134 that is a single-family dwelling unit, unit of a multiple-unit dwelling, trailer, manufactured home, or mobile home and as much of the surrounding land, not exceeding 1 acre, as is reasonably necessary for its use as a dwelling and that were assessed in the specified calendar year.

(2) "Owned" includes purchasing under a contract for deed, owning 20% or more of the shares or other membership interests of an entity that owns a residence, and being the grantor or grantors under a trust indenture.

Section 2. Property tax refund — manner of claiming — limitations — appropriation. (1) (a) A refund of up to $400 of 2006 Montana property taxes assessed to and paid by a taxpayer or taxpayers on the residence that they owned and occupied as their principal residence for at least 7 months during 2006 may be claimed as provided in subsection (2), subject to the limitations provided in subsection (3).

(b) If the 2006 Montana property taxes assessed to and paid by a taxpayer or taxpayers on the residence that they owned and occupied as their principal residence for at least 7 months during 2006 were more than $25 and less than $400, a refund of the 2005 Montana property taxes assessed to and paid by the taxpayer or taxpayers on the principal residence, if they owned and occupied it as their principal residence for at least 7 months during 2005, may be claimed as

provided in subsection (2), subject to the limitations provided in subsection (3), in an amount that together with the refund under subsection (1)(a) does not exceed $400.

(c) If the 2006 Montana property taxes assessed to and paid by a taxpayer or taxpayers on the residence that they owned and occupied as their principal residence for at least 7 months during 2006, together with the 2005 Montana property taxes allowed as a refund under subsection (1)(b), were more than $50 and less than $400, a refund of the 2004 Montana property taxes assessed to and paid by the taxpayer or taxpayers on the principal residence, if they owned and occupied it as their principal residence for at least 7 months during 2004, may be claimed as provided in subsection (2), subject to the limitations provided in subsection (3), in an amount that together with the refund under subsections (1)(a) and (1)(b) does not exceed $400.

(2) (a) Subject to subsection (2)(b), the claim for refund, in the form that the department prescribes, must be executed by each taxpayer under penalty of false swearing and must include the information that the department requires.

(b) The personal representative of the estate of a deceased taxpayer may execute and file the claim for refund on behalf of a deceased taxpayer who qualifies for the refund.

(3) The claim for a refund is subject to the following limitations:

(a) The claim must be filed with the department of revenue on or before December 31, 2007, unless the department, for good cause shown, grants a reasonable extension of time for filing.

(b) Only one claim may be made with respect to any property.

(c) The claims by a taxpayer or taxpayers for 2006, 2005, and 2004 must be for the same property.

(4) The payment of property tax refunds under this section is statutorily appropriated, as provided in 17-7-502, from the general fund to the department of revenue for distribution to taxpayers.

Section 3. Property tax refund — penalty for false or fraudulent claim. A person who files a false or fraudulent claim for a property tax refund under [section 2] is subject to criminal prosecution under the provisions of 45-7-202. If a false or fraudulent claim has been paid, the amount paid may be recovered as any other tax owed the state, together with a penalty of 25% and interest on the amount of the refund at the rate of 12% a year, until paid.

Section 4. Section 15-1-201, MCA, is amended to read:

"15-1-201. Administration of revenue laws. (1) (a) The department has general supervision over the administration of the assessment and tax laws of the state, except Title 15, chapters 70 and 71, and over any officers of municipal corporations having any duties to perform under the laws of this state relating to taxation to the end that all assessments of property are made relatively just and equal, at true value, and in substantial compliance with law. The department may make rules to supervise the administration of all revenue laws of the state and assist in their enforcement.

(b) In the administration of any tax over which it has general supervision, the department may require all individuals subject to the tax laws of the state to provide to the department the individual's social security number, federal employee identification number, or taxpayer identification number.

~~(b)~~*(c)* The department may contract with the U.S. department of the interior or any other federal agency to perform federal royalty audits, collection services, and any other delegable functions related to mining operations on federal lands within the state pursuant to the Federal Oil and Gas Royalty Simplification and Fairness Act of 1996.

~~(c)~~*(d)* The department shall adopt rules specifying which types of property within the several classes are considered comparable property as defined in 15-1-101.

~~(d)~~*(e)* The department shall also adopt rules for determining the value-weighted mean sales assessment ratio for all commercial and industrial real property and improvements.

(2) The department shall confer with, advise, and direct officers of municipal corporations concerning their duties, with respect to taxation, under the laws of the state.

(3) The department shall collect annually from the proper officers of the municipal corporations information, in a form prescribed by the department, about the assessment of property, collection of taxes, receipts from licenses and other sources, expenditure of public funds for all purposes, and other information as may be necessary and helpful in the work of the department. It is the duty of all public officers to fill out properly and return promptly to the department all forms and to aid the department in its work. The department shall examine the records of all municipal corporations for purposes considered necessary or helpful."

Section 5. Section 17-7-502, MCA, is amended to read:

"17-7-502. Statutory appropriations — definition — requisites for validity. (1) A statutory appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the need for a biennial legislative appropriation or budget amendment.

(2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both of the following provisions:

(a) The law containing the statutory authority must be listed in subsection (3).

(b) The law or portion of the law making a statutory appropriation must specifically state that a statutory appropriation is made as provided in this section.

(3) The following laws are the only laws containing statutory appropriations: 2-17-105; 5-11-407; 5-13-403; 10-2-603; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-4-301; 15-1-111; 15-1-113; 15-1-121; 15-23-706; 15-31-906; 15-35-108; 15-36-332; 15-37-117; 15-38-202; 15-65-121; 15-70-101; 15-70-369; 15-70-601; 16-11-509; 17-3-106; 17-3-212; 17-3-222; 17-3-241; 17-6-101; 17-7-304; 18-11-112; 19-3-319; 19-6-404; 19-6-410; 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305; 19-19-506; 19-20-604; 20-8-107; 20-9-534; 20-9-622; 20-26-1503; 22-3-1004; 23-4-105; 23-4-202; 23-4-204; 23-4-302; 23-4-304; 23-5-306; 23-5-409; 23-5-612; 23-7-301; 23-7-402; 37-43-204; 37-51-501; 39-71-503; 41-5-2011; 42-2-105; 44-1-504; 44-12-206; 44-13-102; 50-4-623; 53-1-109; 53-6-703; 53-24-108; 53-24-206; 60-11-115; 61-3-415; 69-3-870; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 77-2-362; 80-2-222; 80-4-416; 80-5-510; 80-11-518; 82-11-161; 87-1-513; 90-1-115; 90-1-205; 90-3-1003; ~~and~~ 90-9-306*; and [section 2]*.

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(4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to Ch. 422, L. 1997, the inclusion of 15-1-111 terminates on July 1, 2008, which is the date that section is repealed; pursuant to sec. 10, Ch. 360, L. 1999, the inclusion of 19-20-604 terminates when the amortization period for the teachers' retirement system's unfunded liability is 10 years or less; pursuant to sec. 4, Ch. 497, L. 1999, the inclusion of 15-38-202 terminates July 1, 2014; pursuant to sec. 10(2), Ch. 10, Sp. L. May 2000, and secs. 3 and 6, Ch. 481, L. 2003, the inclusion of 15-35-108 terminates June 30, 2010; pursuant to sec. 7, Ch. 314, L. 2005, the inclusion of 23-4-105, 23-4-202, 23-4-204, 23-4-302, and 23-4-304 becomes effective July 1, 2007; and pursuant to sec. 17, Ch. 593, L. 2005, the inclusion of 15-31-906 terminates January 1, 2010.)"

Section 6. Refundable income tax credit — statewide equalization property tax levies on principal residence — rules. (1) (a) There is a credit against the tax imposed by this chapter, which is calculated by multiplying the amount of property taxes imposed and paid on a property taxpayer's principal residence under 20-9-331, 20-9-333, and 20-9-360 on $20,000 of market value on the residence times the relief multiple.

(b) (i) As used in subsection (1)(a), the relief multiple is a number used to change the amount of tax relief allowed under this section. The relief multiple is 0. Each interim, the revenue and transportation interim committee shall, based upon actual and projected state revenue and spending and any other appropriate factors, determine if a change in the relief multiple is justified. If a change is justified, the committee shall request a bill to change the relief multiple.

(ii) The department of administration shall certify to the budget director on August 1, 2007, the amount of unaudited general fund revenue received in fiscal year 2007 as recorded when the fiscal year 2007 statewide accounting, budgeting, and human resources system records are closed in July 2007. Fiscal year 2007 is the period from July 1, 2006, to June 30, 2007. General fund revenue is as recorded in the statewide accounting, budgeting, and human resources system using generally accepted accounting principles in accordance with 17-1-102(2). If the unaudited general fund revenue received in fiscal year 2007 exceeds $1,802,000,000, for each $1,000,000 greater than $1,802,000,000, the factor in subsection (1)(b)(i) must increase by 0.1 for tax year 2007 only.

(2) As used in this section, "principal residence" means a class four residential dwelling that is a single-family dwelling unit, unit of a multiple-unit dwelling, trailer, manufactured home, or mobile home and as much of the surrounding land, not exceeding 1 acre, as is reasonably necessary for its use as a dwelling and that is occupied by the owner for at least 7 months during the tax year.

(3) Only one claim may be made with respect to any property.

(4) If the amount of the credit exceeds the claimant's liability under this chapter, the amount of the excess must be refunded to the claimant. The credit may be claimed even if the claimant has no income taxable under this chapter.

(5) The department may adopt rules to implement and administer this section.

Section 7. Appropriation. There is appropriated to the department of revenue $1,028,863 from the general fund for the administration of the property tax refund provided in [section 2] for the 2009 biennium.

Section 8. Codification instruction. [Section 6] is intended to be codified as an integral part of Title 15, chapter 30, part 1, and the provisions of Title 15, chapter 30, part 1, apply to [section 6].

Section 9. Effective date. [This act] is effective on passage and approval.

Section 10. Termination. [Section 5] terminates July 1, 2008.

Approved June 1, 2007

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2-2-135	amended	Ch. 4	HB 6
2-15-212	amended	Ch. 4	HB 6
2-15-246	amended	Ch. 4	HB 6
2-15-1019	amended	Ch. 4	HB 6
2-15-2110	amended	Ch. 4	HB 6
2-17-560	enacted	Ch. 3	HB 4
2-17-561	enacted	Ch. 3	HB 4
5-1-103	amended	Ch. 4	HB 6
5-2-221	amended	Ch. 4	HB 6
5-5-211	amended	Ch. 4	HB 6
5-5-234	enacted	Ch. 4	HB 6
5-11-101	amended	Ch. 4	HB 6
5-11-305	amended	Ch. 4	HB 6
5-12-202	amended	Ch. 4	HB 6
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5-16-101	amended	Ch. 4	HB 6
13-37-102	amended	Ch. 4	HB 6
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20-26-611	repealed	Ch. 1	SB 2
20-26-612	repealed	Ch. 1	SB 2

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20-26-613	repealed	Ch.	1	SB	2
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53-10-203	amended	Ch.	4	HB	6
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90-4-615	enacted	Ch.	3	HB	4

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